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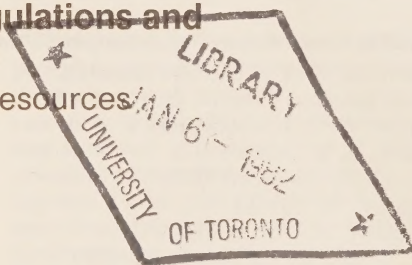
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Legislature of Ontario Debates

Official Report (Hansard)

Standing Committee on Regulations and
Other Statutory Instruments

Estimates, Ministry of Natural Resources



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First Session, Thirty-Second Parliament
Monday, November 9, 1981

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC



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LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Monday, November 9, 1981

The committee met at 8:04 p.m. in committee room No. 1.

ESTIMATES, MINISTRY OF NATURAL RESOURCES

Mr. Chairman: I believe we have a quorum. The Minister of Natural Resources, Mr. Pope, is with us, and his capable deputy minister, Mr. Foster. If it is in order with the members of the committee I suggest we begin by having the minister give his introductory remarks, to be followed by comments by the critic for the official opposition and the critic for the New Democratic Party.

Hon. Mr. Pope: Thank you very much, Mr. Chairman. This is my first effort at this exercise. I trust I can present in a competent manner an overview of the programs of the ministry for which we are seeking consent of the members and of the Legislature.

We have slide presentations with respect to each program area and we are prepared to present them at the appropriate time, but we will leave that for the committee to decide. These will be brief and will cover four or five basic areas which we think will help the committee to get an overview of some of the specifics of the different branches of the ministry. Really, what I thought I would do this evening is to present for your review my summary of the ministry's estimates for the year 1981-82.

It is an honour for me to represent the Ministry of Natural Resources as minister and to represent all of the very competent employees of the ministry whom I have come to know over the last six or seven months. They have been very helpful to me in carrying out my responsibilities and a number of them, whose advice I value very highly, have assisted me in making some decisions on the political level, for which I have responsibility to all of you and to the Legislature of Ontario.

We will begin by examining the range of activities my ministry undertakes to discharge its responsibilities for mineral resources management. As you know, mining is one of our largest industries. For the fiscal year ended

March 31, 1981, the total value of mineral production in the province, according to our estimates, was \$4.68 billion. Out of that, mining tax revenues reached a record \$160.5 million. Our latest estimate indicates that about 40,000 people are working in the mining industry.

In general, the objectives and hopes of the ministry are to maintain mining at full strength as a major industry, and to encourage its expansion by stimulating the exploration and exploitation of mineral deposits of all kinds throughout Ontario. As one of our important initiatives we are engaged in extensive geological work. Our geological programs play a major role in facilitating exploration and the development of all our mineral resources. There are a number of very important components in those programs.

For instance, for nearly 100 years the Ontario geological survey has been mapping and studying the surface and subsurface of our mineral resources. In the early days geological mapping was slow and painstaking, but it was very rewarding because there were many easily located deposits. Today, geological mapping is an even more essential service for the government and for the industry we are trying to serve. Detailed studies are needed to find our mineral potential, and we are continuously developing new techniques to look deeper below the surface at identified potential areas.

As well, the ministry's geologists carry out geological, geochemical, geophysical and mineral deposit studies. In recent years, our geologists have successfully introduced a new integrated, multidisciplinary approach to expand our knowledge of Ontario's rich and complex geology. These men and women are working with scientists in our universities and in the private sector to piece together an understanding of Ontario's geological evolution. It is an ongoing process of unravelling the theories of ore formation, learning to recognize mineral deposits in specific kinds of rock or rock structures, and identifying areas of high mineral potential.

This past summer, field surveys of the Ontario geological survey involved 125 university students in 58 teams under the direction of our geologists.

They worked to provide geologic data, interpretation and concept development. The maps and reports that are being developed from this work are a fundamental building block in mineral exploration and resource potential evaluation and management. The preliminary field results for this year will be released, early in December, in the annual summary of field work of the Ontario geological survey.

8:10 p.m.

To date in this current fiscal year, some 220 geoscience reports and maps have been published by my ministry in its ongoing program to provide background information for our mining companies, prospectors, universities and other government bodies. Our geological survey is an essential program and is really still in its infancy. It is a fact that only about seven per cent of our province's pre-Cambrian geological profile has been mapped to modern standards of detail.

Through mapping and then analysing the results of their studies of the earth's surface, glacial deposits and bedrock, my ministry's geologists produce data that is extremely useful. It provides indicators that can and have led to the discovery of minerals.

I think the most exciting example of that is in the Kirkland Lake area. Kirkland Lake was one of the first areas to receive this type of combined surveying and mapping activity by the government. Although no mine discoveries have been announced, the companies active in the area have increased their exploration expenditures to four times the level previously spent in this area.

Mr. Stokes: Atikokan, too.

Hon. Mr. Pope: Yes. So it has had a very positive effect. It is a priority that we want to continue.

Interjection.

Hon. Mr. Pope: I read it 10 years ago. Is that Diefenbaker or Mao?

Mr. Martel: Chairman Mao.

Hon. Mr. Pope: Mao or Diefenbaker, it is the same cover.

The recent activity of the OGS has created considerable interest in the potential of paleoplacer gold mineralization and a high level of exploration activity in the Gowganda-Cobalt-Sudbury area. In addition to gold, of course, our geoscientific activity provides indications that may lead to the discovery of a whole range of minerals that we use.

A description of three of our current projects

will give you some idea of the magnitude and potential of this work. In one project, we are tracing river valleys in the shield that are over two billion years old and may contain tremendous amounts of gold and uranium. In another, we are analysing large, gold-bearing fold structures that were formed more than two and a half billion years ago by continents grinding past one another along faults much like the famous San Andreas fault in the western United States. Third, we are in the process of unravelling the complex geology of the Sudbury basin and its rich ore deposits which, it is believed, were formed by the impact of a meteorite about 1.8 billion years ago.

Mr. Wildman: That explains it.

Hon. Mr. Pope: That is about the time your party started representing Sudbury.

Interjections.

Mr. Stokes: Meanwhile, back to the estimates.

Hon. Mr. Pope: Right. I would like to stress that our programs are geared to help both the exploration and mining companies, and the individual prospector.

The geological highway map of northern Ontario was released this year. It is the first bilingual geological map produced by the ministry. It is plotted on a standard road map, and describes and classifies rocks found in the north. It also lists the location of northern Ontario mining centres and types of mineral production. I am sure most honourable members, at least those from the north, have seen this map, but I will pass it around for the other members.

Mr. Sheppard: Pass it around here, because I am going to keep it.

Hon. Mr. Pope: Yes, we have copies of that document for everybody.

As I say, it lists the location of northern Ontario mining centres and types of mineral production. It provides information on the importance and uses of mineral resources and gives sources where further information can be obtained. The new map is a companion to the popular geological highway map of southern Ontario which was published in 1978. I will get a copy of that as well for members later on in the estimates. I really have to emphasize that the map has been very useful to a number of people throughout the province.

Another program, the Ontario geological research program, is entering its fourth year. This program encourages geoscience research

in Ontario universities to complement their own programs. This year 21 grants have been awarded to nine universities. To date, 13 research reports have been released from this program and an additional 19 are due before the end of this fiscal year.

Mr. Stokes: Who gets them?

Hon. Mr. Pope: We receive them.

I will give you an example of some of the final reports that we have been involved in. One is by Dr. D. T. A. Symons, of the Department of Geology, University of Windsor, who did a research report on the Component Magnetization of Iron. Dr. Kenny from the Department of Civil Engineering, University of Toronto has done a research program on Horizontal Deep Drains to Stabilize Clay Slopes. Dr. G. F. West, Department of Physics, University of Toronto, has done an Interpretation for Electromagnetic Prospecting.

Professor C. J. Hodgson, Queen's University, did a study on Gold Ore Formation at Red Lake. Dr. A. J. Naldrett, of the Institute for Geological Research on the Bushveld Complex, University of Pretoria, South Africa, did a research paper on Platinum Group Elements in Magnetic Sulphide Deposits. Dr. D. W. Strangway, of the University of Toronto, submitted a paper on Magnetism and Stratigraphy in the Blake River Volcanics. Dr. R. Kerrick, Department of Geology, University of Western Ontario, did a paper on Field Relations and Geochemistry of Gold, Nickel and CR Deposits.

Dr. W. S. Fyfe, chairman of the Department of Geology, University of Western Ontario, did a paper on the Immobilization of U-Th-Ra in Mine Wastes. Professor R. E. Whitehead, of the Department of Geology, Laurentian University, submitted a paper on Gold Exploration using CO₂, H₂O and Alkali Anomalies. Dr. R. G. Roberts, of the Department of Earth Sciences, University of Waterloo, did a paper on Alteration and Gold Vein Environments.

Dr. K. Bell, from the Department of Geology, Carleton University, sent us a paper on Radon Decay Products—Uranium Exploration. Dr. D. H. Watkinson, of the Department of Geology, Carleton University, did a paper on Potential for Chromite Ore Deposits. Dr. A. E. Beswick, of the Department of Geology, Laurentian University in Sudbury, sent us a paper on Alteration Patterns in Precambrian Volcanic Rocks. Dr. R. W. Hodder, of the Department of

Geology, University of Western Ontario, did a paper on the Evolution of an Archean Felsic Volcanic-Plutonic Complex.

Mr. Stokes: What does that mean?

Mr. Wildman: Something like an Oedipus complex?

Hon. Mr. Pope: Something like that, only in more modern terms.

Interjection.

Hon. Mr. Pope: I will get to that in a minute. Further on in my paper you will see that I deal with it all.

Mr. Martel: No, without the paper. You do not need the paper in front of you.

Hon. Mr. Pope: Just off the cuff.

8:20 p.m.

That gives you an idea of the extent of the research being done by a number of university communities in the province and outside the province and the wide disparity of projects that are going on. We think they are all helpful in the long term to the mining industry. Each summer a summary of research carried out under this program is published for the annual Geoscience Research Seminar, which is hosted by the Ontario Geoscience Survey. This year's seminar will be held on December 9 and 10.

The noteworthy highlight of the last seminar was the presentation of significant findings in the treatment of radioactive mine wastes by geochemists at the University of Western Ontario. We think those findings will have international significance. Basically, this research work has produced results which illustrate the potential for using synthetically grown phosphate minerals to cement radioactive tailing spawns, thus preventing the weathering and transportation of uranium daughter products hazardous to the environment. Again, that is an example of some of the important work being done right now.

Talking about regional geochemical mapping, we do have a number of programs specifically with respect to southwestern Ontario. Systematic regional geochemical mapping of southwestern Ontario began in July 1981—and maybe I will expand a bit on this portion—with a pilot phase funded by the Ontario Lottery Corporation covering some 20,000 square kilometres around London, Hamilton and the Niagara Peninsula. The program was based on sampling and analysis of stream sediment from tributary drainages at a reconnaissance density of one sample per five square kilometres.

Exploration geologists are familiar with the use of stream sediment geochemistry in the search for mineral deposits. The approach is based on the fact that, correctly taken, a sample of stream sediment is a natural composite of all material entering the stream from the catchment area upstream from the sampling point.

Mr. Stokes: Placer mining. It has been done for years.

Hon. Mr. Pope: They have and this is an expansion on some of their research work. We think it is particularly important in terms of the mineral potential for southwestern Ontario, and that is why we did a specific project in the London-Hamilton-Niagara Peninsula area. The result is that systematic sampling and analysis of stream sediments permits identification of sites with abnormally high concentrations of trace elements, such as copper or zinc, suggesting proximity to weathering mineralization.

I see Bud is leaving.

Mr. Martel: You are driving him out.

Hon. Mr. Pope: The technique was originally developed in the New England states and the maritime provinces of Canada in the early 1950s and since then has been used successfully in mineral explorations throughout the world. However, from the first application of the technique, it was realized that the broad distribution patterns of the trace and major elements revealed by these surveys are primarily related to the composition of various rock types and glacial deposits in the area under study. The surveys therefore not only aid in locating mineralization, but also complement and qualify regional geological mapping by revealing cryptic chemical variations in the bedrock and superficial deposits.

Although dominantly a reflection of geological sources, the composition of stream sediment is also influenced by local surface conditions, such as soil types and vegetation cover. Further, in some areas, these natural patterns are modified or obscured by pollution or contamination from a variety of man-made sources.

In summary, therefore, regional geochemical mapping reveals complex patterns of element abundance related primarily to geology and modified by natural surface processes. It is upon this already complex natural geochemical landscape that the actions of man take place.

In 1964, Mr. Webb proposed that the naturally occurring geochemical patterns revealed by stream sediment surveys could be of consequence to environmental studies. The term

"environment" is here used in the broadest sense as all features which affect the wellbeing of plants, animals and human beings. Initial investigations demonstrated a positive relationship between areas of low levels of cobalt in stream sediments and cobalt deficiency in sheep. Similar studies elsewhere in Great Britain and Ireland proved that abnormally high concentrations of selenium and molybdenum found in stream sediments were derived from black shales rich in these elements and related to the incidence of selenosis and molybdenum-induced copper deficiency in cattle.

Subsequently, the approach has been used successfully in numerous other studies, including a series of pioneering investigation in Ontario carried out over parts of the Niagara Peninsula. These were studies done in 1972 and 1976.

The rationale for the southwestern Ontario survey program was that natural variations in the trace and major element content of bedrock are passed on to soils and made available to plants by the weathering processes. The variations influence the composition of ground and surface waters and also the entire food chain. Hence, the geochemistry of a region is of definite consequence to agriculture, fisheries, forestry and epidemiology, as well as mineral exploration, resource development, land-use planning and environmental monitoring. However, to date, there is no systematic data base showing regional variations in the natural abundance of trace and major elements across Ontario.

The character of regional geochemical data and their application in various studies are described in a number of studies produced in 1980, which give particular attention to Ontario's requirements.

The southwest Ontario survey program has been designed to fulfill the following objectives:

(a) Determine the naturally occurring concentrations of trace and major elements across the survey area and so define the natural geochemical landscape in which we live and upon which the activities of man take place—

Mr. Martel: How many pages do you have?

Mr. Kerrio: There is something wrong here.

Mr. Eakins: No, he is just reading it into the record.

Mr. Kerrio: That is good if you would let us—

Hon. Mr. Pope: I am expanding on page seven. Just stay at page seven. The reason I am

doing it is for the benefit of a couple of members here from southern Ontario, because I am trying to indicate—

Mr. Stokes: He has extemporaneous notes.

Mr. Eakins: It is of interest for all Ontario.

Hon. Mr. Pope: Right. The second objective: Determine the natural distribution patterns of essential and potentially—

Mr. Martel: Did someone get paid by the word for writing that report?

Hon. Mr. Pope: I wrote it all myself.

(b) Determine the natural distribution patterns of essential and potentially toxic trace elements which might affect the nutrition, wellbeing and productivity of animals and crops;

(c) Determine areas of mineral potential within the region;

(d) Determine the natural distribution of elements of consequence to epidemiology.

The methodology of the studies respecting project design and specifications were drawn up by the staff of the ministry and our environmental geochemical consultant. Every effort was made to incorporate experience gained from similar surveys elsewhere in the world. Particular attention is given to quality control of the sampling and analysis to ensure that the resulting data are suitable for rigorous use in a variety of scientific investigations.

Samples of active stream sediment are collected upstream from road/stream crossings at a density of one sample per five square kilometres. Sample sites are selected in streams with catchment areas from one to 25 square kilometres, averaging five square kilometres, to ensure continuity and spatial relevance. The samples are air dried, sieved to minus 80 mesh and subjected to extensive chemical analysis. A duplicate sample is collected at each site for permanent storage in an archive as a record of conditions at the time of the survey.

Comprehensive field observations are made at each sample site and a photograph taken of every sample location. The samples will be analysed for 28 elements—total contained metal—and loss on ignition. Maps showing the regional distribution and concentration of these elements will be prepared from the resulting data and published as the work is completed.

In 1981, approximately 20,000 square kilometres of regional geochemical mapping was completed in the months of July and August. Sample collection and preparation were completed under contracts administered by the geophysics-

geochemistry section. Work in the western half of the area, centred on London, Ontario, was carried out by Dominion Soil Investigations Incorporated, of Toronto. Work in the eastern section, covering Hamilton and the Niagara Peninsula, was completed by Gartner Lee and Associates, of Toronto. Both contractors employed two, two-man sample collection teams, each made up of a professional geologist-geotechnician and a student assistant.

Sampling proceeded systematically across the survey area with individual collection teams averaging 28 samples per day, depending on local access conditions. Analysis of the samples will be completed under contract by a commercial laboratory this fall. Data compilation, initial appraisal and map preparation will continue throughout the winter. Preliminary maps will be published as soon as they are available in 1982.

8:30 p.m.

I diverted a bit from page seven because I want to emphasize that our geological and geochemical research projects are taking place throughout Ontario, both in the northern part of the region where we do have a history of interesting geological formations and geological survey work, and also in the southern and southwestern parts of the province. We see equally great mineral potential in those areas that has to be developed and we think we can help develop it through the production of this kind of information.

I am going on now with page seven, in case you are wondering.

Mr. Martel: Yes, we were waiting for it.

I do not know why acid rain has to be studied, though; I raise the question. Just come to Sudbury and we will show you the effects of acid rain.

Mr. Kerrio: We have to convince our American friends again.

Hon. Mr. Pope: The OGS has also been looking into the consequences of acid rain.

Mr. Martel: Come to Sudbury, you do not even have to study it. Just look.

Mr. Brandt: Do you have some in your backyard?

Mr. Martel: Not mine. I am upwind, I am lucky.

Hon. Mr. Pope: That is right, you are on the other side of it.

Comprehensive investigations revealed the strong influence of local geology on the chemistry of lake waters in an area west of Wawa. This

is part of a program extending over several years. Systematic study of lake sediment cores has revealed that it is possible to date the historical geochemical characteristics of the lake. Preliminary studies indicate, among other things, that some lakes were acidic well before the occurrence of acid rain.

In case there are some sceptics in the area—

Mr. Martel: Here it comes.

Mr. Stokes: Have you seen the Wawa plume?

Hon. Mr. Pope: Often.

Mr. Stokes: Do you fly over it?

Hon. Mr. Pope: I do not fly over it, I go by car. I would not dare fly over it.

Mr. Wildman: A desert 22 miles long and two miles across; it is almost as bad as Sudbury.

Mr. Stokes: Yes, it looks like a moonscape.

Mr. Martel: Who is it in your ministry now saying it is because of the acid? That is what the argument used to be about from Burwash and Killarney Lake right to Sudbury. "It was early, in the days even before the plant; it was the lakes themselves."

Hon. Mr. Pope: Have you ever seen the asbestos studies of the Mattagami River system?

Mr. Martel: I am talking about the effects of SO₂ on the ecology. We do not need studies, we know what it does.

Mr. Wildman: We have beautiful clear lakes.

Mr. Martel: And nothing in them, not even fish.

Hon. Mr. Pope: There may, therefore, be natural controls of acidic conditions in shield lakes. Understanding the geochemical processes involved in the acid rain problem is, of course, extremely important.

A number of Ontario geological survey programs are carried out in co-operation with the Ministry of Northern Affairs. The northern Ontario geological survey, funded by Northern Affairs, investigates the mineral and aggregate potential of selected communities. This activity supplements our base program. The data generated is used in civil engineering work and planning of transportation routes and housing.

Among other projects in this program, this summer airborne geophysical surveys were conducted in the Manitou-Stormy Lake area, around Wawa, and around Caribou Lake. Following the release of the geophysical maps, staking for the first quarter of 1981 reached 2,226 claims for the Thunder Bay mining division.

As well, my ministry is conducting a northern Ontario minerals survey for the Ministry of Northern Affairs. It is taking inventory of available data on nonmetallic minerals. Good results are expected in current investigations of vermiculite, nepheline syenite, feldspar, agricultural lime and talc.

The Atikokan geological survey was completed early this year. A pre-Cambrian mapping program was conducted as part of the survey, and it revealed the presence of numerous minor to major zones of shearing with occurrences of iron, gold, copper, asbestos, talc and soapstone.

A special study of the region's gold prospects succeeded in categorizing the gold occurrences. Provision of an economic geologist to assist prospectors led to the rediscovery of a highly promising gold vein, and \$1 million has been raised to develop it. That, of course, was the discovery at the old Elizabeth gold mine, located seven miles northwest of Atikokan, which I am sure the members are aware of, and Camflo Mines was involved in the optioning of those claims.

A geoscience program known as the southern Ontario geological survey is being undertaken in the period 1980 through 1984 under the Eastern Ontario Subsidiary Agreement. It is to stimulate private sector investment in mineral exploration, and to encourage development by updating the geoscience data base for the area from Hastings county eastwards. The program may demonstrate the viability of such industrial minerals in the area as talc, graphite and marble.

An ongoing activity of my ministry is the provision of mineral management information. Our mineral resources and production are continuously examined in the light of world market trends as well as technological, environmental and economic factors. Several reports, studies and statistical surveys are published regularly.

To promote a wider understanding of the importance of minerals and their management to our economy, a periodical newsletter called Minfacts was started by my ministry this year. It is available in both French and English. I am sure the members have seen it. If not, I can produce some copies. The first issue appeared in July 1981. It gives an indication of Ontario's principal—

Mr. Eakins: Was it circulated to all members? Apparently not.

Hon. Mr. Pope: I will make sure it is now. It was published so it would be available in all of

the ministry offices. I will make sure it is delivered to the members in the next day or so of our estimates. It contains some very valuable information with respect to mineral production in Ontario, comparing 1979 to 1980 figures, but I will get that for you by the next time we sit together.

This year too we have published, among other works, major overview studies of gold and uranium. They are addressed to both an expert and a lay audience.

Mr. Laughren: The gold one we got and it was really excellent, but I have not seen the uranium study. Would you send it to the members?

Hon. Mr. Pope: Yes, we will. I think it came out in May, so I will make sure you get it now. We will get that for the next meeting too.

I think you will agree with me that the reaction, at least to the gold publication, has been rather favourable throughout the gold-mining areas certainly, and also has sparked some interest throughout Ontario and Canada.

In addition, information was disseminated through a seminar held in late October at Cambrian College, Sudbury, called the Rocks to Riches seminar. It consisted of informal talks for prospectors, developers and small mine operators.

Mr. Kerrio: They are an endangered species.

Hon. Mr. Pope: No, they are not, as a matter of fact. A lot of our programs have been developed to try to encourage the prospectors, developers and small mine operators.

Interjections.

Hon. Mr. Pope: You can guess the reason we have them in Sudbury.

Mr. Martel: Rocks to riches; Sudbury knows that.

Hon. Mr. Pope: Having derived the riches from it—

Interjections.

Mr. Wildman: One of the smallest entrepreneurs in the province is named Inco.

Interjections.

Hon. Mr. Pope: As an example, the Ontario mineral exploration program came into effect in September last year. administered by my ministry, it provides incentives to entrepreneurial individuals and nonmining companies for min-

eral exploration in our province. The program provides grants or tax credits equal to 25 per cent of the amounts spent on eligible—

8:40 p.m.

Mr. Laughren: You are directing your support grants to the private sector all the the time.

Mr. Kerrio: They would probably pay your salary.

Mr. Laughren: I am sure you could.

Mr. Eakins: This is just the opening skirmish. There is nothing serious at this stage.

Mr. Brandt: We are only on page 11.

Mr. Martel: Why does not the minister let someone else read for a while? You are tired, I can tell.

Hon. Mr. Pope: You know where I am?

Mr. Brandt: It is indelibly etched on my mind. Interjections.

Hon. Mr. Pope: The program provides grants or tax credits equal to 25 per cent of the amount spent on eligible exploration. To date, nearly 175 applications have been accepted. The maximum grants and tax credits are estimated to be \$10.2 million.

During the same period, 44 programs were completed, with exploration expenditures of \$7.9 million and eligible expenditures of \$6.2 million. This resulted in issuing grants of \$0.4 million and tax credits of \$1.1 million.

There are a number of programs of interest on the Ontario mineral exploration program. For instance, in the northwestern region, a known, small, gold occurrence is currently being explored, and new drill results indicate potential for a 400 tons per day operation.

In the north central region, a new major discovery of significant gold ore reserves has occurred. We have two large grass-roots programs, one over 1,200 claims and the second over 1,500 claims. Airborne surveys have been completed and ground geophysical and geological examination is in progress. Diamond drilling is expected to follow.

In the northern region, we have two new potential gold ore bodies discovered by diamond drilling, and underground exploration is to be undertaken in the next year. Two former producers are now being dewatered and re-evaluated by geologists.

In the northeastern region, a small high-grade

gold deposit has been outlined near the surface. Follow-up work is continuing, hopefully to expand the reserves.

Mr. Martel: You know National Steel needs to be reopened?

Hon. Mr. Pope: You have told me.

With respect to industrial minerals, there are two programs of interest in progress, one a unique phosphate deposit and the second an interesting mica deposit.

These are just a few examples of the nature of the projects that are being carried out under this program of our ministry.

Mr. Stokes: I do not want to interrupt and I am out of order, Mr. Chairman, but why are you not a little more specific? You are not dealing with the written text and I appreciate your fleshing out this kind of thing, but you are giving us in general terms what is going on in the northwest, north central, and northeast.

It would be useful to us, who have the responsibility for doing some planning for those areas, to know—and I shall explain to you later why we have to know. We are being asked to make recommendations about whether it is useful to give money for recreational facilities, for instance, and we do not know what the future viability of a particular community is.

I am getting people from other ministries saying, "What is the future of Pickle Lake?" I happen to know that north of Pickle Lake you have a very promising mineral program, but we do not know whether or not it is going to have any effect on Pickle Lake, and unless you are able to share that information with us we are not in a position to give information to other ministries.

Hon. Mr. Pope: That has been one of the problems we have been wrestling with since I became minister. We have some provisions in the Ontario mineral exploration program and the act under which the program is taking place which prevent us from giving out certain kinds of information. That is right in the act itself. What we are trying to wrestle with is how we can give out specific enough information to enable planning to take place, as you correctly point out, without betraying the provisions of the act and the program we have used in dealing with the companies.

I agree that is an issue and a problem that we in northern Ontario have to deal with. I have been trying to wrestle with that kind of information. I have been told, for instance, that I cannot give out the names of the companies or specific

financial figures relating to known reserves because of the provisions of the program and the act under which it operates.

Somehow we are going to have to find some way of making more information available and, quite frankly, I have not come up with a way yet. But I agree that we have to do it.

Mr. Stokes: Sorry for interrupting.

Hon. Mr. Pope: That's all right.

Currently there are 126 Ontario mineral exploration projects in progress. They represent nearly \$40 million in exploration expenses and \$8.1 million in grants and tax credits. The maximum grant or tax credit for any one project was initially set at \$250,000, and has been increased to \$500,000. Under the federal mini-budget of October 1980, the write-off provision of 100 per cent was reduced by the amount of our grant, effective January 1. That disappointing amendment has caused some concern and we have expressed this to the federal government.

Mr. Laughren: May I ask you a question there? It seems to be in vogue.

Hon. Mr. Pope: Sure.

Mr. Laughren: Why do you use the word "disappointing"? Are you suggesting that not only should there be a 100 per cent write-off but a grant as well? Good Lord.

Hon. Mr. Pope: If we are to have a tax incentive program under provincial legislation, and if that incentive is somewhat reduced by a change in the rules and regulations with respect to tax write-offs, it is a counterproductive effort vis-à-vis the two governments. It may not be counterproductive for the companies vis-à-vis the governments, but the federal government and ourselves seem to be at cross purposes.

Mr. Laughren: But if you were to stand back, and without worrying about jurisdiction dispute, surely— Do you really want to set up a system whereby not only do you get 100 per cent tax write-off but a grant on top of that?

Hon. Mr. Pope: I think what we want to do is to have some set rules of the game.

Mr. Laughren: I have no quarrel with that.

Hon. Mr. Pope: You can make your comments on whether or not there should be tax incentives folded in with a tax write-off, and we might agree or disagree. The problem is, we set a program in place and the federal government then came along and changed the ground rules so some of the benefits of our program are taken away. I do not think it is a matter between the

government and the industry but a matter of the federal government and the Ontario government coming to some concrete agreement on mineral programs designed to benefit Ontario.

Mr. Laughren: Who changed the ground rules first?

Hon. Mr. Pope: We introduced the Ontario mineral exploration program.

Mr. Laughren: Was not the write-off provision there first?

Mr. Chairman: I think that if the honourable members will try to save their questions—

Mr. Laughren: You changed the rules of the game first.

Hon. Mr. Pope: Yes, to encourage exploration, and the federal government—

Mr. Laughren: That is fine; but you changed the rules first.

Hon. Mr. Pope: —cancelled their previous rules and changed the ground rules.

Mr. Laughren: Yes, but you interfered first. They had the write-off first.

Hon. Mr. Pope: I am sorry, we did not interfere with the tax system; we did not.

Mr. Laughren: You changed the rules of the game, though.

Hon. Mr. Pope: No.

Mr. Chairman: If I may interrupt: I have tried to be as liberal—with a small “I”—as possible, but I would like to keep the minister’s opening comments proceeding. I am sure that both opposition critics will have their opportunity to reply and there will be more than ample opportunity to ask questions. Mr. Martel?

Mr. Martel: I was just wondering how many days it will take.

Mr. Chairman: Eighteen hours.

Interjections.

Mr. Chairman: Proceed, Mr. Minister.

Interjections.

Hon. Mr. Pope: It is really one of those fundamental issues that we have to deal with. We can get into it later under the appropriate heading.

Mr. Laughren: I am not quarrelling with the point you are making. What I am quarrelling with is who changed the rules in the middle of the game, who changed the rules first? You did.

Hon. Mr. Pope: Yes. But then, after we bring in measures to encourage mineral exploration, which everyone, even you, agrees is needed—an expanded mineral exploration program, partic-

ularly for small mines and for individuals and companies who have not before been involved in it—some of those advantages are taken away after the fact by a change in the tax structure, which is not in response to the needs of the industry but to our program.

That is the quarrel I have with that change, because we then get into competition in strategies and programs between the two levels of government. It has to have an impact on our prospecting and developing programs in the province. I guess that is where our disagreement is.

Mr. Riddell: If any government is right, it will be the feds.

8:50 p.m.

Mr. Laughren: When two levels of government are competing with give-aways, it does get complicated, I agree.

Hon. Mr. Pope: But it was not a matter of give-aways. If that was it, we might have some other discussion. It just seems to be a circle that—

Mr. Brandt: Mr. Minister—with apologies to the chairman; he does not want questions now—are all these actions and reactions done on a unilateral basis without consultation?

Mr. Laughren: How much did you consult them?

Hon. Mr. Pope: My information is that they were further consulted on the reasons and the details of the Ontario mineral exploration program—after it was introduced in the Legislature, of course.

Mr. Laughren: That is the way you have public participation.

Hon. Mr. Pope: I guess we will get into that later, too.

Mr. Laughren: Yes, we will.

Mr. Chairman: We should proceed with the opening statement.

Mr. Laughren: I wish you would.

Hon. Mr. Pope: The Ontario mineral exploration program is a valuable catalyst in the financing of mineral projects for eligible individuals and corporations. The program is fulfilling its promise of new mine development, with attendant job creation and economic stimulation, particularly in northern Ontario. The mineral resources group of my ministry has been allocated funds to provide specific services under the province’s economic development strategy being managed by the Board of Industrial Leadership and Development.

Ontario is intent upon getting the most out of our own energy resources in order to minimize our dependence on insecure and increasingly expensive outside sources of supply. Accordingly my ministry is launching a five-year program to stimulate the use of our own hydrocarbon resources. Known as the hydrocarbon energy resources program, this initiative—

Mr. Laughren: Is that HERP?

Hon. Mr. Pope: I think we are going to change that title.

Interjections.

Hon. Mr. Pope: This initiative will involve assessment of our lignite, peat and oil shale resources. It supports and complements the activities of the Ministry of Energy. Ontario possesses potentially significant resources of these hydrocarbons. Their extent is largely unknown, though a peat symposium in Thunder Bay just a couple of weeks ago, which brought together experts on peat from around the world, confirmed that Ontario has large deposits. We published a major report on peat in connection with the symposium.

I will presume that all the members of the committee have seen this report. If they have not, we will certainly make it available immediately. This report indicates the location of some of the more substantial peat deposits in Ontario and sets out some recommendations with respect to how these peat deposits could be more fully developed in as environmentally sound a way as possible.

The technical feasibility and economic viability of developing our lignite, peat and oil shale resources have never been evaluated. Under this program they will be. Furthermore, projects under the program will be integrated with the drafting of new policies and regulations to stimulate exploration and development of our own energy resources.

Also under BILD, the ministry is taking a look at the many small gold deposits in our province that could be economically mined if custom gold-milling facilities were available. A BILD project we are undertaking is encouraging the private sector to build test custom gold-milling facilities for bulk sampling and the milling of small lots.

Small operators often find it difficult to evaluate the average grade of their deposits without access to such a facility. Even high grade deposits may be mined at intermittent rates which are unattractive to most custom mills. Our current high level of activity in gold is all the more reason to expand these facilities.

Under the Gomill program forgivable loans are available for 75 per cent of allowable capital expenditures for each project, to a maximum of \$1 million. Seven proposals are currently being considered. Production dates could be as early as next February.

Mr. Stokes: But you restrict it to very specific areas in the province; it is not a universal program. That is the problem.

Hon. Mr. Pope: Our initial request for submissions does relate to some specific areas in which we have evaluated the potential. But that does not mean we are closing the door to other areas. Not only are gold-milling facilities being located in other parts of the province, but possibly other kinds of milling facilities, which we are coming to realize are also required for diversification of our mineral production industry—silver, for instance. We have come across a number of problems lately with respect to silver milling and refining. We are starting to realize that there is a need for that kind of program as well.

Although we have indicated initial sites based more often than not on existing activity, we realize that there is a need to diversify beyond those sites. Once we get beyond the initial stage there will be potential. There are number of areas, sir, in your riding that you and I are probably thinking of.

Another BILD project in the mineral area is the exploration technology development fund. This five-year program provides funds to the private sector for applied research in geophysical and geochemical mineral exploration technology applicable to Ontario. New methods for the search for mines ought to reverse the noticeable decline we have seen in finding new mines in recent years. Any breakthrough in technology that will allow us to extend the search to the 200 or 300 metre depth range will stimulate a boom in exploration and secure Ontario as the world centre for geophysical development and consulting.

The provincial drill core library program is another BILD initiative that my ministry has undertaken. Each year about 700,000 feet of drilling is carried out in Ontario. This represents an annual private sector expenditure of about \$14 million. Most of the core resulting from this drilling is either dumped or left in the field to deteriorate.

Drill core from previous exploration programs can be a valuable form of data for new exploration. It will now be saved for future interpretation. Core storage libraries will be

completed in all the mining areas of the province by 1985. The first will be in Kirkland Lake and will go into operation next year.

My ministry has been active in encouraging a new gold mine which is currently getting under way at Detour Lake. It may turn out to be the largest gold reserve in this country. It is about 85 miles northeast of Cochrane. In January of this year, plans were announced to proceed with construction of mining and milling facilities. They are to cost some \$144 million and have an initial capacity of 2,000 tons per day from an open pit by April 1983. Shaft sinking and a subsequent underground mine will lead to at least 4,000 tons per day by 1987, and employment of nearly 500 people. The construction program for 1981 is proceeding on schedule. Work is also proceeding on an access road and power line.

Despite the depressed price of silver, there is plenty of exploration and mining activity for this precious metal around the Cobalt area. Until a new refinery is built, however, the full potential of the area will not be realized.

Aggregate resources are vital for all types of construction. The aggregate resources inventory is proceeding, with some 26 reports issued during the year bringing the total to 42 reports. These cover municipalities in southern Ontario designated under the Pits and Quarries Control Act, which is administered by my ministry. Selected urban areas in northern Ontario have also been included in this important stocktaking of our sand, gravel and crushable stone.

Mr. Laughren: Can I ask a brief question? On the previous page you talk about the gold mine at Detour Lake. You say it has an initial capacity of 2,000 tons per day of gold?

Hon. Mr. Pope: Ore.

Mr. Laughren: Two thousand tons a day?

Hon. Mr. Pope: Yes.

Mr. Riddell: Were some of the areas designated withdrawn just prior to the election?

Hon. Mr. Pope: Areas designated under what?

Mr. Riddell: In this aggregate resource field.

Mr. Eakins: In eastern Ontario, I believe.

Mr. Riddell: If so, why so?

Hon. Mr. Pope: You know the answer to that.

Mr. Riddell: No, I do not.

9 p.m.

Hon. Mr. Pope: Okay, I do not either, then. The areas that have been covered include

Dufferin county, including Mono township, Mulmur township, Melancthon township, Adjala township, Caledon, King, Uxbridge, Brock, Mariposa, Manvers, Smith, Douro, Otonabee, Dummer, Asphodel, Brantford, South Dumfries, North Dumfries, Blanshard; these are just some of the examples of areas in which we have completed our reports, our inventories.

Mr. Riddell: You were serious, though, when you answered that question, that you do not know why those areas were taken out again?

Hon. Mr. Pope: I presume because the local member and those who were concerned about the issue requested of the Ministry of Natural Resources that it be withdrawn.

Mr. Riddell: So any member who makes that kind of a request will have it complied with, I take it?

Hon. Mr. Pope: Not from me.

Mr. Eakins: Those three days before the election seem the odd part of it.

Hon. Mr. Pope: What was odd about it? I understand that the municipalities, the county people and all sorts of representatives and all sorts of people were asking that it be exempted.

Mr. Eakins: It was only in the fall of 1980 that it was designated and it was taken off about March 16?

Hon. Mr. Pope: It could be.

Mr. Riddell: It looked very peculiar, that is all.

Hon. Mr. Pope: Why would it look peculiar?

Mr. Riddell: What took place three days later?

Hon. Mr. Pope: What took place three days later?

Mr. Riddell: If you do not know, I do not.

Hon. Mr. Pope: What took place three days before? What happened on March 13?

Mr. Eakins: Could I just ask for one clarification before passing on? You say selected urban areas in northern Ontario have been included in the stocktaking. Does that mean there is a possibility that some parts of northern Ontario might be included under the Pits and Quarries Control Act?

Hon. Mr. Pope: They already are under the act. Sudbury is, Sault Ste. Marie, Thunder Bay.

Mr. Eakins: These are generally the areas you are referring to?

Hon. Mr. Pope: I think North Bay is included

under the act now. I think that was some time in February. I do not know how long that was before the event you are referring to.

Mr. Wildman: That is why all the operators just go outside of town and dig up everything.

Hon. Mr. Pope: Anyway, there are some areas, and there has been some interest expressed in other parts of northern Ontario to come within the act, and also some interest expressed in staying outside of the act. As usual, there is a wide divergence of opinion.

Also this year we received a report commissioned by my ministry to find out if it would be economic to transport aggregates into the Toronto-Hamilton area from Bruce, Grey and Huron counties. At a minimum, it was found the cost would increase by \$100 million annually over sources closer to these markets.

A number of concerns are covered in the new Aggregates Act which is going before the House this fall. It should result in better administration and enforcement. It provides for increased rehabilitation security which will generate more and better rehabilitation. It will improve liaison with municipalities and improve remuneration to them to compensate for the costs resulting from the operation of pits and quarries. The act also provides for stricter control, rehabilitation of abandoned pits and quarries, and administration of pits and quarries on crown land.

Mr. Riddell: Are you taking into consideration the excellent amendments that were proposed by the opposition parties prior to the election?

Hon. Mr. Pope: We have looked at some of those amendments. They can be categorized under different categories but, yes, we are aware of them.

Mr. Riddell: If you want our co-operation, you had better have some of them in there.

Mr. Eakins: I am pleased to see reference to improved remuneration to the municipalities. I think this is very important.

Hon. Mr. Pope: The act will provide badly needed direction and a framework for municipal planning.

In addition to the geophysical mapping, activity work is proceeding on the Ontario basic mapping program. This 13-year program, now in its fourth year, is being carried out by private companies under contract to my ministry. It is going into full production during this fiscal year.

It is based on a common referencing grid provided by the universal transverse Mercator grid system. If anyone is interested in that

system, we have a descriptive booklet on the system and some of the benefits of it. In addition, should you require, we also have a slide presentation of the benefits of that system.

Mr. Sheppard: Are we going to see the slide presentation after this?

Hon. Mr. Pope: By popular request, certainly.

Mr. Wildman: I just want to know what activity work is.

Hon. Mr. Pope: It is opposed to passive work.

Mr. Laughren: Anything to do with the hydrocarbon energy resources program?

Hon. Mr. Pope: It is similar in a way. The program is aimed at providing maps of the entire province that will serve a wide variety of users, including transportation and land-use planners, resource managers, mineral explorers, as well as vacationers and hikers. It is a mapping system that will provide compatible maps of all regions, even though they may be at different scales. Existing maps produced by different agencies show differences of as much as a quarter of a mile in position and 100 feet in altitude.

Our maps will be compatible, as well, with the federal government's topographic maps. The Ontario maps, however, are much more detailed.

This is where you can all pause and read your notes.

Under land-use planning, as you are probably aware, my ministry is responsible for the management of about 87 per cent of Ontario's land and water. Our stewardship responsibilities over this vast area must be discharged so that the various resources will be used for the greatest benefit of all the people of Ontario. We are at a stage where we are making a kind of quantum leap in the management of our land and water resource base. The need for comprehensive and up to date land-use plans was therefore first articulated by this government in the early 1970s.

The first formal commitment to land-use planning in a comprehensive way was made in 1960. Although a variety of planning activities had occurred before that—going well back in our history, in fact—they were not recognized as land-use planning. In 1960, a land-use section was established in the ministry, and a planning guide was developed. It was based on a system developed by Angus Hills, a soil scientist who had been with the ministry and made a major contribution to planning with his study of the ecological basis for land use planning.

The Canada land inventory and Ontario land inventory were undertaken, beginning in 1966. This was a systematic evaluation of the land capability for agriculture, forestry, wildlife and recreation that was to provide a basic component for all the comprehensive planning to follow.

Through the 1960s and early 1970s, plans were prepared for areas with special problems, for example, the North Georgian Bay Recreational Reserve and Temagami Lake. This work uncovered the need for a broader perspective or overview, and it also highlighted the importance of putting human considerations squarely in the centre of our planning process.

An Ontario land-use plan to provide guidance for regions and districts within the context of an overall long-term, co-ordinated approach, was first called for in 1972. A broad land-use plan for each of our three planning regions, the northwest, the northeast and southern Ontario, would provide policy direction and targets for area planners.

Land-use planning guidelines were first published in 1974. They were revised and again published in 1980. The guidelines are quite comprehensive and place emphasis on the need for recognizing a wide range of objectives and basic uses. The primary emphasis, I stress, is on the human element. Public participation in all phases is urged throughout the guidelines. Proposed targets with respect to any given use must be tested to see if they are acceptable socially under the guidelines.

9:10 p.m.

It is well recognized throughout the guidelines, and therefore throughout our planning process, that without adequate public participation and a thorough opportunity for input from all interests and points of view, the process will not succeed. I should think this would be a fairly obvious point.

Mr. Laughren: Yes, so would I.

Hon. Mr. Pope: Right. That is why we are underlining it.

Mr. Laughren: No one will ever know.

Hon. Mr. Pope: Why will they not know, if they had gone to Sioux Lookout or Red Lake in the month of August and looked at the maps and documentation available?

Mr. Laughren: It is one-sided public participation.

Hon. Mr. Pope: No, it is not. Not at all.

Mr. Laughren: It is so. It has presented no alternatives to the public who go there.

Hon. Mr. Pope: We have put forward, under the west Patricia land-use planning program, all of our background information upon which we may base our decisions and we are going back there to put forward to them the alternatives before we make any final decisions.

Mr. Laughren: Oh, you are?

Hon. Mr. Pope: Yes.

Mr. Laughren: Before you do silly things like signing forest management agreements?

Hon. Mr. Pope: Oh. If you would discuss that with the member for Port Arthur (Mr. Foulds), who happened to take the time to attend at the Thunder Bay open house—

Mr. Laughren: Yes. I have.

Hon. Mr. Pope: —or the people who went to Dorion, you would see that the forest management agreement is not simply an allocation of forest resources, but also a strategic land-use planning exercise in which all elements of the ministry are involved and in which everyone has had some input.

Mr. Laughren: That is total nonsense.

Hon. Mr. Pope: That is not total nonsense. That is the truth of the planning process we have engaged in.

Mr. Laughren: Yes. What alternatives are you putting before the people at these public meetings?

Hon. Mr. Pope: Have you looked at the maps?

Mr. Laughren: Yes.

Hon. Mr. Pope: Have you seen the exclusions?

Mr. Laughren: Yes. After the exclusions are determined, then you are going to develop a district land-use plan.

Hon. Mr. Pope: The same types of considerations that were given under the forest management agreements are the types of considerations and evaluations that have to be made with respect to the district land-use plans in that same area. Are they not?

Mr. Laughren: No. You are not even putting options before the public at the forum.

Hon. Mr. Pope: We are not putting options forward?

Mr. Laughren: No.

Hon. Mr. Pope: We are not talking about exclusions of areas so we can examine the different options with respect to canoe routes,

trout streams and lakes, with respect to waterway parks, with respect to wilderness parks, with respect to nesting sites, with respect to—

Mr. Laughren: You will put them out and decide on them.

Hon. Mr. Pope: That is my authority under the act. That is my responsibility under the act. You are darned right I am going to decide them.

Mr. Laughren: That is exactly what it comes down to. In your infinite wisdom you will decide.

Hon. Mr. Pope: No.

Mr. Laughren: These are the options and this is what we decided. That is exactly what you do.

Hon. Mr. Pope: I am going to get advice from the people who took the time to go out there and look at the documentation; I am going to consider their advice; I am going to consider the advice of organizations and groups that have a specific point of view with respect to the allocation of resources and I think we have done a darned good job of trying to accommodate their concerns.

Mr. Laughren: No, you are not.

Hon. Mr. Pope: You may think not. You were not there.

Mr. Laughren: No, I think not.

Hon. Mr. Pope: I have talked to the groups, I have met with them, I understand their concerns, and we have tried to involve them to the greatest degree possible. Under the Public Lands Act and under the other acts of Ontario, the ultimate responsibility for those decisions rests with the minister and I intend to exercise that responsibility.

Mr. Laughren: That is fine, but do not pretend that you are engaging in meaningful public participation.

Hon. Mr. Pope: You may not think it is meaningful.

Mr. Laughren: I know it is not.

Hon. Mr. Pope: I happen to think it was and most of the people who showed up in Dorion and Thunder Bay thought it was, with due respect.

Mr. Laughren: But you did not put any options before them that they could make choices on.

Hon. Mr. Pope: We published the—well.

Mr. Laughren: You did not.

Mr. Chairman: Gentlemen, I really think we are digressing from the point. You are each entitled to your own points of view.

Mr. Laughren: It is quite important. No, I am dealing with the facts.

Mr. Chairman: There will be time for questions later, Mr. Laughren.

Mr. Laughren: He is dealing with it as he sees it and I am dealing with it as it really is.

Mr. Stokes: Assert your authority, Mr. Chairman.

Mr. Chairman: Continue, Mr. Minister, please.

Hon. Mr. Pope: Anyway, I am prepared to debate that issue with you during the course of the estimates, because any objective analysis of the efforts we have made in this FMA, with respect to Spruce River Road compared to the others, will show that there has been a great improvement and we have tried to accommodate the concerns and the interests of all of the people who are going to use all the resources of that area.

Mr. Laughren: What a laugh.

Hon. Mr. Pope: You can laugh and be cynical all you want.

Mr. Laughren: I am not being cynical. I am—

Hon. Mr. Pope: You have not spent the hours I have with the various interest groups and the individuals.

Mr. Stokes: Bring them to order. It happens to be in my riding and I think it is a good approach.

Mr. Chairman: I would appreciate it if Mr. Laughren and the minister would refrain from personal dialogue and argument for the sake of argument—

Hon. Mr. Pope: Quite so, Mr. Chairman, and I apologize.

Mr. Chairman: —and perhaps we can continue with the opening statement.

Mr. Eakins: We are starting with the line, “Without popular support.”

Hon. Mr. Pope: Okay. Excuse me.

Without popular support, proposals are not likely to succeed. Moreover the wisdom and knowhow that exists throughout our population can sometimes prevent us from making costly mistakes.

While the ministry's overall mandate is to manage crown land, we also have a limited responsibility with respect to privately held or patent land. For private lands the plans are implemented by consultation with municipali-

ties, funding and policy advice to conservation authorities and agreements with land owners. In southern Ontario our land-use planning program is known as the co-ordinated program strategy—

Mr. Laughren: How come it is a different name?

Hon. Mr. Pope:—in recognition of the role of municipalities, who have the planning mandate for private land. That is why it has a different name.

Mr. Laughren: I wondered about that.

Hon. Mr. Pope: At the present time, we have a draft strategic land-use plan or co-ordinated program strategy for each of the three planning regions. Parks system planning, an important component of our land-use plans, has been somewhat delayed and we are currently awaiting this input. Once this is done, like the land-use plans it will receive public review. We are engaged, after all, in a long-term effort with serious, long-term consequences for generations to come. Our goal is to provide for the maximum benefit to all Ontarians in an economic and social sense. We hope to complete this work within the next year.

Mr. Laughren: I cannot believe some of the stuff I am hearing. I am sorry, Mr. Chairman, I will try to restrain myself.

Hon. Mr. Pope: What is wrong? You are serious.

Mr. Laughren: Yes, I know.

Mr. Stokes: I called for this approach before you were even a member of this place.

Mr. Laughren: Are you going to take that, Mr. Chairman?

Mr. Chairman: Proceed, Mr. Minister.

Hon. Mr. Pope: In mid-October I tabled in the Legislature a document giving background information and a policy approach for the west Patricia land-use plan. This project for a special area of northwestern Ontario was begun in 1976 because of the proposed licensing of crown timber limits. It is a composite of the Red Lake, Sioux Lookout and Geraldton district land-use plans.

We conducted a number of open-house sessions with the public regarding the west Patricia plan during the months of July and August. Our aim was to involve concerned

citizens, including the native people who reside in the study area, in every step of the planning process.

Mr. Stokes: That is one area where you have not had any success, I can tell you.

Hon. Mr. Pope: I will agree with you that we have had our difficulties.

A series of publications, including a basic explanatory booklet and various information papers, were widely distributed. I feel very strongly about the need to keep taxpayers fully informed of the actions of my ministry and of the effects of such actions may have on all sectors of our society. The growing population and improved standard of living in Ontario place ever-growing demands on our land and water resources. To meet these demands we must co-ordinate their uses, and this is why we have those land-use plans.

As you are probably aware, we filed with the Legislature a number of published Ministry of Natural Resources district planning documents which contain background information. These are for Dryden, Fort Frances, Ignace and Kenora in the northwestern region; Timmins and Gogama in the northern region; Sault Ste. Marie, Blind River, Espanola, Sudbury, North Bay and Temagami in the northeastern region; Algonquin Park, Bancroft, Bracebridge, Minden, Parry Sound and Pembroke in the Algonquin region; Cornwall, Napanee and Tweed in the eastern region; and Wingham in the southwestern region.

This is just a start. I think we have placed before the Legislature copies of the background information booklets for 23 out of 47 districts. We hope to have the rest of these booklets available fairly soon. After that, of course, we will continue with the next step, which outlines the policy options, at which point we will go back for public review.

Mr. Eakins: Will those studies be circulated to all members, or at least to the critics?

Hon. Mr. Pope: I had undertaken to provide the member for Nickel Belt with copies of the background information for each district. We are trying to get it all gathered together and will send it over to both of you. It is about two feet of documents.

Mr. Laughren: Really?

Hon. Mr. Pope: Yes.

Mr. Laughren: I did not know that when I asked for it.

9:20 p.m.

Hon. Mr. Pope: Sorry about that, chief, but that is the way it is. We hope to have the other 24 documents out before the end of the year. We are in a position now, I think, to put another few before the Legislature.

Mr. Laughren: Throw in the Suncor stuff with it. No one will ever know.

Hon. Mr. Pope: I will carry on with forest resources, an area of great interest to all of the members.

Mr. Laughren: There is nothing wrong with objecting to this one, Mr. Chairman.

Hon. Mr. Pope: Certainly not the editorial comments, I can see that.

One of the major uses of our land, of course, is the recovery of forest products. Last year some 600 million cubic feet of wood products were harvested from nearly 500,000 acres of crown land in Ontario. Our huge forest is the source of a wide range of products which we consume domestically and which we export to earn a major share of our export dollars.

Mr. Stokes: Whatever happened to cunits, Mr. Minister?

Hon. Mr. Pope: I wish we had cunits and acres, quite frankly. It would make things a lot easier.

Mr. Stokes: I was just getting used to cunits instead of cords, and now you have changed to cubic feet. You keep changing the rules and confusing us with new terminology.

Hon. Mr. Pope: I was going to combine cords and hectares, which would really have fouled up all of the tables.

Mr. Kerrio: You are saving hectares for your next go around.

Hon. Mr. Pope: That is right.

The forest industries are experiencing rapid change. Demand for wood products is generally on the increase. The genetic revolution is working its way through our labs and nurseries and Ontario is at the forefront of technological development in several important areas. The commitment to ensure sustained yield is stronger than ever. My ministry is working very hard with the industry to make sure we fulfil that commitment.

As a result of the implementation of the forest production policy approved by cabinet in 1972, the annual area regenerated by such year-round activities as planting trees, gathering and sowing seeds and encouraging nature to seed, has increased by 73 per cent over 1972. This compares with an increase of only 26 per cent in the annual area cut over by the industry.

In some cases, the opportunity to apply silvicultural treatments after harvesting is constrained by such factors as rockiness or wetness, inaccessibility in spring and summer weather or presence of residual trees.

Mr. Laughren: Are you abusing mother nature here?

Hon. Mr. Pope: We are trying not to. That last paragraph relates to the reference made in the Legislature to the 160,000 acres. About 50 per cent of that area has problems with respect to rockiness or wetness, 40 per cent has other residual trees on it and 10 per cent has some inaccessibility problems in spring and summer weather. That will give you an idea.

Mr. Wildman: When you say residual trees, you are not referring to slash?

Hon. Mr. Pope: No. We are referring specifically to the poplar—

Mr. Stokes: The weed.

Hon. Mr. Pope: The weed, as the honourable member says, and hardwoods.

That is our best analysis of the breakdown of that figure, which was contained in reports filed with the Legislature last October and in an update this year.

Mr. Laughren: Have you converted Leo Bernier to your view yet?

Hon. Mr. Pope: I do not know; I will check it out. It is a good question.

Mr. Laughren: It is.

Hon. Mr. Pope: Generally we are succeeding in closing the gap, and our commitment to sustain yield remains firm.

Mr. Kerrio: It sounds like balancing the budget. The mind is willing but the body is damned weak.

Mr. Laughren: It does not take you long to learn the jargon, Alan.

Hon. Mr. Pope: The body is getting stronger, as a matter of fact, Vinnie. You would be proud of us.

Interjections.

Mr. Kerrio: Would you stop lumbering if the lumbering people had to replant a tree for every one they cut?

Hon. Mr. Pope: No.

Mr. Kerrio: Why would we not go that simple route?

Hon. Mr. Pope: Is this part of your new platform?

Mr. Kerrio: I cannot believe what is happening.

Hon. Mr. Pope: We are going that route.

Mr. Stokes: It is not their responsibility any more.

Mr. Kerrio: It damned well should be.

Hon. Mr. Pope: We are going the combined route, which I will get into in a minute. Where was I?

We are continuing the thrust to increase our regeneration treatments. The forest production policy calls for a target of 380,000 acres regenerated annually by 1985. This will represent a 47 per cent increase over the present level, a challenge but not an impossible one, since the increase in the years 1977 through 1981 was 46 per cent.

Mr. Brandt: A commendable performance.

Mr. Stokes: It is a lousy performance.

Mr. Brandt: But look at the improvements.

Mr. Wildman: Yes, but the improvement, 46 per cent of nothing, is not much.

Mr. Barlow: It is a start.

Hon. Mr. Pope: To aid in the achievement of that goal, we are receiving an additional \$35 million from BILD under the forest improvement program. The forest production policy is currently being reviewed with the intention of producing a new document by April 1983. It is expected to incorporate updated costs and technical procedures, revised regional targets, a plan for improved integration with other ministry systems and programs, a layperson's version of the document for distribution to the general public and an annual report format procedure for informing the Legislature on the state of Ontario's forest management programs year by year.

A tremendous amount of painstaking effort and co-operation between the ministry and the industry resulted last year in the signing of the first five forest management agreements with the large forest product companies operating in Ontario. Essentially the agreements will provide a continuity of operations for the particular forest area.

Mr. Laughren: When is the next one, tomorrow?

Hon. Mr. Pope: No.

Mr. Laughren: Abitibi?

Hon. Mr. Pope: Not tomorrow.

Mr. Laughren: Soon?

Hon. Mr. Pope: It could be. It is possible.

Mr. Laughren: You should wait.

Hon. Mr. Pope: Their goal is to integrate harvesting and regeneration and to undertake —

Mr. Stokes: There is the key to it. The way that you harvest has a very profound effect on

the ability of the forest to regenerate itself, and this is something to which your ministry has never paid attention. I hope you will now.

Hon. Mr. Pope: I think you would be quite satisfied with the terms and conditions of the Spruce River Road forest management agreement, produced in detail.

Mr. Stokes: It is not signed yet.

Hon. Mr. Pope: That is true. It has not been finalized yet, let us put it that way.

Mr. Laughren: Signed, but not finalized.

Hon. Mr. Pope: I will go back to that.

Their goal is to integrate harvesting and regeneration and to undertake forest management to produce timber on a sustained yield basis. The 1972 forest production policy spelled out the range of options for long-term forest production. Along with a wealth of silvicultural expertise we had accumulated during the previous 15 years, it provided a firm base for the forest management agreements.

Under the Crown Timber Act of 1962, the province had assumed responsibility for regeneration.

Mr. Kerrio: A sad day.

Hon. Mr. Pope: No, not really. In fact the evolution of the whole concept of involvement in regeneration, I think, has been a good one.

Mr. Laughren: That is pretty hard to take.

Hon. Mr. Pope: A number of studies done in the mid-1970s recognized that this was not moving as effectively as would be necessary to assure sustained yield.

9:30 p.m.

Mr. Wildman: The greatest influence of all these studies on the forest industry was to use up paper.

Hon. Mr. Pope: I do not think so. There has been a realization that government and industry have to work together on regeneration and forest management agreements are recognition of that. With the various components of the program in place, and they are beginning to fall into place, I think that we can succeed at this joint responsibility.

These studies recommended that licensee companies assume responsibility for both harvesting, as was already the case, and regeneration.

A 1977 brief from the Ontario Forest Industries Association indicated agreement in principle through the assumption by the industry of responsibility for forest management practices. Negotiations during 1978 to 1979 between the

ministry and the pulp and paper companies resulted in the new forest management agreements.

Agreements were signed in 1980 with Abitibi-Price for the Iroquois Falls forests; with Great Lake Forest Products for the English River forest; and with E. B. Eddy Forest Products for the upper and lower Spanish River forests; as well as with Spruce Falls Power and Paper for the Gordon Cosens forest. A sixth agreement with Abitibi-Price regarding the Spruce River forest awaits finalization. Preliminary studies have been completed for seven further areas used by Boise-Cascade, Great Lakes, Abitibi-Price and Ontario Paper. An eighth, Pineland, is being conducted at the present time.

I believe these agreements represent a major achievement for the wellbeing of Ontario's forest industries, for the people of the province generally and for the people of northern Ontario specifically. They take the place of licence and are essentially the same for all the companies. As the FMAs have been developed at the same time as our land-use planning programs, it has been necessary for us to ensure that the productive forest land required by the forest industries be considered in connection with overall strategic land-use planning.

We have had to develop an approach to integrate both the developments of FMAs and land-use planning to ensure that all interests are considered. In recognition of this I announced in June that public involvement would become an integral part of the development of forest management agreement areas. All forest management agreements as of this past summer have provisions for public comment before being finalized.

Mr. Laughren: That is the right phrase, public comment.

Hon. Mr. Pope: Well certainly, and included in that public comment, by the way, is some criticism, as you are probably aware.

Mr. Kerrio: If the public had its way the first thing you would do is replant. So the comments could be valid.

Interjections.

Hon. Mr. Pope: Are you aware of the Northern Ontario Tourist Outfitters' problems with respect to road access? You are aware of the Federation of Ontario Naturalists' comments. You are aware of the Algonquin Wildlands League's comments.

Mr. Wildman: Why did you not go to that meeting on September 10 instead of sending George McCormack?

Hon. Mr. Pope: I do not know what I was doing that day. I will find out.

There have been comments, adverse and favourable, with respect to the particulars of the forest management agreement. As a result of those comments we think we have accepted some of the more useful recommendations. I hope that when the forest management agreement is finalized it will become obvious a number of these concerns have been looked at very seriously by the ministry and incorporated in whole or in part into the forest management agreement.

Mr. Laughren: Before the district plans are done?

Hon. Mr. Pope: Well, everyone who is interested and concerned about the forest management agreement had the opportunity to make comments on how they saw the agreement, the particulars and the generalities of it. Needless to say the document was forwarded to your respective party leaders for their comments in June 1979.

Mr. Laughren: I am talking about the FMAs being done before the district land-use plans.

Hon. Mr. Pope: The same people who were involved in the district land-use plan have had an input into the forest management agreements.

Mr. Laughren: Yes, but after the FMA area is taken out of it you will debate the district land-use plans is what you are saying, whatever is left.

Hon. Mr. Pope: But if the research and information that would be used in the district land-use plan as part of the background information is provided by our botanists, biologists and our parks people, and they have an input into the forest management agreement with their concerns, which are the same concerns they expressed under the district land-use plan in the regional strategies, and if the groups that have a particular interest in terms of their economic livelihood or their recreational opportunities, including the local residents, have a chance to go and look at the documentation and the maps and the possible exclusions at the front end, let alone the five per cent exclusion within the terms of the agreement—

Mr. Laughren: With options.

Hon. Mr. Pope: What is the option? It is a licensed area already. We are trying to develop a regeneration system.

One of the things we are trying to do is take other recreational uses, other resource uses and put that into both the harvesting and regeneration plans, so we have made progress compared to where we were. Everyone who has been involved has had a chance to comment, and I hope we will have done as good a job as possible incorporating their comments into the final document. Perhaps we will be judged on that when the final document is—

Mr. Laughren: Why worry what you are doing to the concept of the district plans?

Hon. Mr. Pope: I do not see that there is any difference if the individuals have the same right of input into it. The same special concerns are acknowledged and dealt with in the planning of the documentation and in the drafting of the plan itself including the management plans and the cutting plans. I think we have gone through exactly the same process. You do not see that?

Mr. Laughren: We will get into more detail later, but I do not see that, no.

Hon. Mr. Pope: Turning to the forest management agreements on page 30, the agreement consists of three documents. First is the formal agreement which sets out the various terms and conditions and can be changed only through order in council.

Second is the specific set of ground rules applicable to the forest area. These set out in detail such items as silvicultural specifications, stocking standards, rates of payment for silvicultural treatments, nursery stock standards and road specifications.

The third document is the forest management manual which is the same for all agreements. It deals with administrative and technical aspects, providing guidelines for effective implementation of the forest management agreement.

The agreement is for 20 years. At five-year intervals, if obligations have been met, it will be extended for another five years. This is being called an evergreen agreement. In essence, a new 20-year agreement is in effect at the end of each five years. The company must prepare forest management plans covering the 20-year period, operating plans for the five-year period, annual plans and annual reports.

The annual allowable cut, or AAC, is the amount of wood that a company may cut, based on the principle of sustained yield and calculated in relation to actual depletions of the

forest from cutting, fire, insects and disease, and additions resulting from regeneration and growth of the forest.

The AAC is recalculated every five years at the time of my ministry's review of company performance. The AAC must be harvested, although variations of plus or minus 10 per cent are permitted. Should the cut exceed 110 per cent of AAC then the company must regenerate at its own expense. Should the cut be less than 90 per cent of AAC, then the company must pay the current stumpage on the difference up to 90 per cent. Portions of the allowable cut may be declared surplus and my ministry may dispose of the surplus.

Mr. Stokes: How many professional foresters are you going to hire to make sure you have a reliable inventory? You sure do not have it now.

Hon. Mr. Pope: I think that is one of the things for which we have been trying to prepare the groundwork for the forest management agreements as they are coming on stream. A lot of the research work has to be done, which is one of the reasons why the agreements are slow in coming through the process. It is not only the foresters, it is also the biologists, the botanists and a number of other experts in our ministry.

Mr. Stokes: Is that reflected in your hiring policy? If you do not have knowledgeable people out there to monitor these FMAs, forget about the exercise.

Hon. Mr. Pope: We think that with the programs we have in place and with the hiring we are doing and will be doing, we will have the professional capabilities in the ministry to do—

Mr. Stokes: You have to pay for it, because all you have to do is talk to the forestry faculties; people who are graduating from our forestry faculties are going to other places. You have to pay the buck and keep them here.

Hon. Mr. Pope: Yes, in fact we do have special programs with respect to recent forestry graduates to attempt to get them involved in employment in our ministry and we think we have been rather successful to date in getting students interested in our work.

Mr. Eakins: Is this permanent employment, or is this just a temporary thing where they leave and go somewhere else?

Hon. Mr. Pope: One year.

Mr. Eakins: Nine months? It is a nine-month period, but then they could be going on into some other industry.

Hon. Mr. Pope: Could be.

Land representing up to five per cent of the AAC may be withdrawn by my ministry for other purposes in the public interest. However, land withdrawn in excess of five per cent must be replaced with comparable forest land.

9:40 p.m.

That withdrawal is not the same as the withdrawal at the front end of the negotiation process prior to the FMA being set. That is a different five per cent withdrawal. So what we have been doing in the front end of the negotiation process is looking at areas which we think have other resource uses and making arrangements with respect to those other resource uses before the agreement is finalized. Then on top of that we have the five per cent figure within what is left, so we have changed that concept of it.

My ministry has accepted responsibility under the FMAs for certain basic funding on crown lands under agreement. Roads are essential for effective management and use, and we will therefore fund to a prescribed level the construction and maintenance of specified roads.

For regeneration, my ministry will pay our own equivalent costs for site preparation, planting or seeding, and for tending where necessary. We will also provide free of charge all necessary tree seed and nursery planting stock.

Where a company undertakes silvicultural treatments at its own expense, the increase in volume attributable to those treatments can be harvested at one tenth of the normal stumpage charges.

Mr. Laughren: Before the estimates are over, Mr. Chairman, would the minister give us some details on the estimated cost of all this silviculture programming the FMAs are going to require?

Hon. Mr. Pope: For the FMAs alone or just—

Mr. Laughren: Related to the whole new plan.

Hon. Mr. Pope: We can give you some ball-park estimates projected over a five-year period, if you would like.

Mr. Laughren: Yes, I would like to see those.

Hon. Mr. Pope: Okay, we will give them to you.

Mr. Kerrio: Could we also get the figures on what we are getting for stumpage, so we can get an idea of where the balance is? It is probably like the autopact.

Hon. Mr. Pope: Okay, we will give you the stumpage rates. There are some other considerations.

Mr. Kerrio: Okay, if there are other considerations I would be pleased to look at those too.

Hon. Mr. Pope: Let us put it that there are other alternatives that we have to look at in the future.

Roads built under the agreement will be open to the public, with the company receiving an annual subsidy for maintenance. General public access and the normal recreational uses that presently exist on licensed crown forest land will continue on the agreement areas.

Failure to regenerate on cutover lands will have an immediate downward effect on the annual allowable cut. Over the first 20 years, each company is required to regenerate the backlog of unsatisfactorily regenerated areas.

Mr. Wildman: Do you really think that is practicable?

Hon. Mr. Pope: Yes.

Mr. Wildman: What would be the result if you were to say to a community, "We are going to cut by half the allowable cut for the company that is the main employer in your community"? You would have everyone on your neck, worrying about their jobs.

Mr. Stokes: You cannot cut what is not there.

Hon. Mr. Pope: We do it now or we do it later with even more drastic economic consequences.

Mr. Riddell: I wish you would get together with the rest of your fellows in your caucus, Jack.

Mr. Stokes: Seventy-two per cent of all the industrial activity in northwestern Ontario is directly dependent on the forest industries.

Mr. Kerrio: That is why we are having them replant the trees.

Mr. Stokes: I cannot help it if some people do not appreciate that.

Mr. Kerrio: That one simple question I asked is still valid: whether those people would continue to lumber and take off pulpwood if they had to plant a tree for every one they cut. I think they would continue.

Hon. Mr. Pope: Plant a tree for every one they cut?

Mr. Kerrio: Grow one. They might have to plant three or four to grow one.

Hon. Mr. Pope: I think if you analyse what has been happening in the last couple of years you will see that is virtually where we are.

Mr. Kerrio: That is hardly good enough to make up for what we have not done for the last 30 years.

Hon. Mr. Pope: We will get into our argument later.

Also we have a number of corporate activities in eastern Ontario, for instance, which are going to substitute poplar and hardwoods and use them in some of the mills of eastern Ontario. The impact may be that up to 50 per cent of their needs will be satisfied out of fast-growing species and plantations, which will have an effect on the long-term performance in terms of reforestation and will allow us some leeway in eastern Ontario to catch up some of the—

Mr. Eakins: You mentioned Cornwall in one of the announcements. Is this some of the land that was purchased in—where was it?

Hon. Mr. Pope: The mill is in the Cornwall area, the Domtar mill.

Mr. Kerrio: That last sentence, "General public access and normal recreation uses that presently exist on licensed crown forest land will continue on the agreement areas." Would you explain that?

Hon. Mr. Pope: One of the concerns is with respect to the tourist outfitters or the hunting camps. We have a concern with respect to the effects of public access into the areas and their businesses. There is also some concern on the part of the Federation of Ontario Naturalists and other organizations about the effect of the wilderness experience on wildlife and fish in the rapid increase in public access. One of the issues that has to be addressed in the context of the forest management agreement is our policies with respect to public access on different types of roads into the management areas and the timing of any access if we were to give it. These are the kinds of issues that are current before us when we are talking about our management policies within the forest management agreements.

Mr. Eakins: The Northwest Ontario Travel Association will have quite an input into this as far as the fly-in services are concerned.

Hon. Mr. Pope: NOTA is one of the groups that appeared at Thunder Bay and Dorion and made a number of comments with respect to the problems it saw from the road system that was closed under the Spruce River FMA. We have tried to respond to that concern.

Mr. Eakins: They are concerned that it restricts the fly-in services.

Hon. Mr. Pope: Yes.

Mr. Wildman: George McCormack asked them to prove that the tourist industry is a viable industry in northern Ontario.

Hon. Mr. Pope: Are you saying that is why I should have been there?

Mr. Wildman: Maybe.

Hon. Mr. Pope: Incentive payments for additional road construction as part of the FMA and as part of the DREE program on other crown lands will increase the standards of roads and provide more flexibility in the choice of harvest locations, thereby making forest management more efficient. The road infrastructure will be expanded dramatically and the improved standard of construction will permit all-weather access. Harvesting of overmature timber, regeneration and other silvicultural treatments, forest protection and nontimber uses will all benefit from a complete road network.

Mr. Laughren: While you are throwing in some of the figures for the silviculture and nursery stock, could you also throw in figures for the road-building program?

Hon. Mr. Pope: On existing FMAs?

Mr. Laughren: No, in the same time frame that you are using for the silviculture project.

Hon. Mr. Pope: Sure. We will do our best anyway.

Mr. Laughren: It is something to keep in mind.

Hon. Mr. Pope: It will not be good enough, but we will do our best.

Mr. Laughren: That is very unfair of you. You have such a low opinion of yourself.

Hon. Mr. Pope: It is shared by many.

Mr. Brandt: We are not voting on that, are we, Mr. Chairman?

Hon. Mr. Pope: As part of my ministry's mandate of ensuring maximum benefit from all of the province's natural resources, an in-depth review of the potential of forests held in private hands was begun in May 1980. There were an estimated 208,000 landowners with a minimum of 50 acres each in Ontario, many with small woodlots and some with large woodland holdings in the north. There is greater potential for forest management and associated economic benefit from these holdings than we are currently realizing.

The review is examining program objectives, design components and performance, and taking a close look at private land forestry prob-

lems and prospects. In the spring of this year, a questionnaire was sent to 12,400 rural landowners as part of a study that will form the basis for public discussion next year. This will lead to new policy proposals for private land forestry in Ontario. The high response to the questionnaire indicates, I believe, the interest that landowners have in my ministry's concern for their situation.

9:50 p.m.

Under the Woodlands Improvement Act, my ministry can manage the forest portion of a private land holding if the owner wishes. My ministry is thus able to maintain the high standard of management required for optimum yields from woodlots. Last year 802 woodlands improvement agreements were signed, bringing the total in effect to 8,523. Ministry forestry workers planted over nine million trees on these lands in 1980.

Mr. Riddell: Can I qualify for this program?

Hon. Mr. Pope: You certainly can.

Mr. Riddell: That's a change then.

Mr. Stokes: You cannot personally.

Mr. Riddell: That's what I was asking. Can I qualify for that?

Mr. Stokes: Farmers can but you cannot, not as a member of the Legislature.

Mr. Riddell: I am being personal. I am asking if I can qualify.

Mr. Kerrio: Why not? Is there a conflict?

Mr. Stokes: Yes.

Mr. Kerrio: What about the cow-calf program and all those things that farmers who are members of the Legislature have?

Mr. Stokes: This has to do with Natural Resources. You cannot go out and stake a claim as a member of this assembly.

Mr. Hennessy: Why can't he?

Mr. Stokes: Because it is a benefit.

Mr. Eakins: Bill Stewart had some program and he was the first to get his rebate.

Mr. Wildman: That's agriculture. The whole thing is built on grants.

Mr. Kerrio: There is no conflict in agriculture. I appreciate what you are saying.

Hon. Mr. Pope: The ministry also provides an advisory service for private land owners to encourage them to improve and manage their forests as well as possible. This free service offers advice on planning and establishing tree plantations, tending of woodlands and market-

ing of timber. Sixty forests are also managed by my ministry under agreements with conservation authorities, counties, townships and other agencies.

As an adjunct to existing programs, \$10 million has been allocated by BILD to be used to improve southern Ontario woodlots and stimulate the development of pulp wood and high quality saw logs. In the north, a BILD allocation of \$25 million will be used in the management of crown forests not under forest management agreements.

A large program of nurseries for seedling production, research and development programs and collaborative ventures with private sector tree growers round out my ministry's activities in support of maximum return from our forests.

In particular, the forest management agreements have resulted in a rapid increase in demand for containerized seedlings in preference to traditional bare-root planting stock. Last spring my ministry started to involve private greenhouse operators in the production of containerized tree seedlings for reforestation in Northern Ontario. Some expansion of ministry facilities is also being undertaken, but the private operators were in a position to expand more quickly.

Through the BILD program, private operators were offered 50 per cent grants towards their capital costs of expansion and five-year contracts for growing specified volumes of planting stock in areas of the province that require increased production. Through advertising in local press and knowledge of local greenhouse operators, a list of potential contractors was gathered. In the Thunder Bay area agreements have been reached with three growers for a total annual production of eight million seedlings. It will commence in the spring of next year for planting in spring 1983.

In the northern region the list of recommended growers has not yet been approved. It is planned that some growers may start production in 1982, but most facilities will start up in 1983 for planting that year and the next. Total annual production from the proposed growers would amount to 10 million a year. That is in the northern region by the way.

Mr. Eakins: Has this involvement with the private operators taken place in years past at all? Is this something completely new?

Hon. Mr. Pope: The vast majority of our work was done through ministry nurseries. We are

expanding them, but at the same time we have seen the need to diversify into the private sector as well. So it is new.

Mr. Eakins: It sounds like a good idea.

Hon. Mr. Pope: The program of capital improvements to the planting stock production facilities of my ministry is now well under way. Under BILD and DREE, a total of \$20 million is available. The list of 17 projects includes office and shipping facilities, irrigation systems, container production facilities, refrigerated storage buildings and minor maintenance and storage buildings. The major facilities have all progressed to the planning stage, a few are actually under construction and some are completed.

The program was developed due to a backlog of projects that had accumulated for several years and to demands brought about by shifting technology. A demand for better quality stock as well as a shift to increased transplanting resulted in the need for irrigation systems with improved operating pressures and distribution of water as well as for extensions of new mains to the increased areas under production. An increase to the refrigerated storage capacity will assist the nurseries and districts in providing dormant, cool seedlings to the planter. The shipping facilities will enhance the use of seedling harvesters for faster and improved handling of seedlings, not only in the spring but also during the winter months.

My ministry has a large forest research centre at Maple, as you know, with four field stations at Midhurst, Dorset, Sault Ste. Marie and Thunder Bay. Its overall goal is to fill in the gaps in the knowledge required for good management of the forest. Our studies cover a range of topics in forest biology, all aimed at improving production for fibre, poles, logs or biomass.

Research has proved over the years to be a very important adjunct of forest management. Progress is steady but slow; projects begun 25 or even 35 years ago are only now yielding important data and results. One important area of work is on selecting tree species for preferred characteristics, such as fast growth, stem development or winter hardiness. Programs using controlled pollination to increase seed production also have high priority.

Foresters have developed ways to preserve the gene pool and propagate trees from existing stands of native trees to assure the continued life of breeding stock. Methods of extending planting seasons to increase the number of trees planted, to improve soil chemistry and many other facets of tree planting are concerns in

ministry labs and nurseries. Pest and disease control and nursery research also play a part and will continue to produce new data as research continues to keep pace with forestry's steady growth.

Of particular interest is a program under way in our nurseries of rooting black spruce cuttings. This speeds up production of very young trees for planting for reforestation and for testing the progeny of tree breeding experiments. At my ministry's Orono nursery about 60,000 seedlings are being produced each year for field trials by this method.

This fall saw the formation at Maple of a BILD initiative known as the Ontario Tree Improvement and Forest Biomass Institute. It is part of the BILD program which is aimed at accelerating Ontario's development of fast-growing trees. A major part of the institute's work will deal with the breeding of fast-growing trees and forest biomass production technology.

Mr. Laughren: You know how to stimulate the north.

Hon. Mr. Pope: In fact it does. The research going on in Maple has had an effect of stimulating production and nursery facilities and the types of production going on in northern Ontario.

Mr. Laughren: You have trouble accepting a compliment, don't you?

Hon. Mr. Pope: It is having a dramatic impact on many small centres in northern Ontario.

Mr. Laughren: Why can you not just accept a compliment?

Hon. Mr. Pope: I thought I was going to expand on the compliment.

Mr. Riddell: The continual reference to BILD gets a little nauseating though.

Hon. Mr. Pope: I do not know why it would. Surely you recognize the good things that are happening under the BILD program.

Mr. Kerrio: Sailors have a word for it. It is down in the bottom of the boat—bilge.

Hon. Mr. Pope: That was the NDP commercial during the last campaign. Do not take credit for that one.

Mr. Laughren: Mr. Chairman, that is out of order. I do not want to talk about it.

Hon. Mr. Pope: Other programs of the institute will focus on forest regeneration techniques, silvicultural methods and forest growth assessment.

Most Ontario trees take a long time to

mature, but our poplars do not. Though they have at times been disclaimed as junk trees or weeds, in fact the poplar can no longer be considered a weed.

Mr. Stokes: All your predecessors called them weeds.

Hon. Mr. Pope: The quick-growing kind we are developing has many uses; in particular it has applications for eastern Ontario as a source of fibre for pulp mills. Poplars can be planted as so-called nurse trees to protect other seedlings during early growth or as windbreaks or cover foliage. They also have potential as fuel or cattle fodder, and they can be used in the manufacture of adhesives and even to produce artificial sweeteners.

Mr. G. I. Miller: What do you mean cattle fodder? Grind them up and give them to calves?

Hon. Mr. Pope: Great stuff. It has been tried too.

Interjections.

Hon. Mr. Pope: Last August an international scientific review of the program was held here at Queen's Park. It was designed to serve as a public audit of the government program and the public was invited to attend as the scientists put the program to scrutiny. The papers that were presented are in the process of being prepared for publication. A further reason for holding the review in the public domain was to encourage confidence in the scientific basis for the poplar program and in the people working on it. This is important. The program needs the support of private landowners who would choose to grow poplar on their marginal land. It will also need to have the confidence of entrepreneurs and investors as well as professional foresters.

Mr. Laughren: Certainly public participation.

Hon. Mr. Pope: It is very important.

10 p.m.

The methods used in the hybrid poplar program may also be able to be used to improve the production of other species of trees grown in Ontario. My ministry looks forward to working with the new biotechnology firm, Allelix Inc., which has been formed by Labatt's, along with the Canadian Development Corporation and our BILD program.

The BILD funding was just announced for the development of three poplar plantations in eastern Ontario. Two will supply wood for pulp and paper operations and the third will supply fuel for a district heating plant that is being built

in Ottawa-Carleton. The local source of wood will represent a tremendous saving on transportation costs.

An early and serious forest fire season was predicted for 1981 because of prolonged drought conditions. In preparation for the situation, \$6.25 million was added to the fire control presuppression fund and three new water-bombing Twin Otters were acquired. This gave us increased prevention, detection and initial attack capability.

Mr. Laughren: Did Alexander Haig help you write this?

Mr. Riddell: Did they put firefighting equipment on the Premier's jet just in case he is flying over some time and happens to spot a fire?

Mr. Laughren: Did you buy any AWACs?

Interjections.

Hon. Mr. Pope: Forest fires began this year early in May in the drought areas of northwest and north central regions, and their behaviour lived up to our expectations. There was a period of relief in June, but dry, warm weather persisted through to late August. Because we were well prepared, our staff was able to cope with a dangerous situation and maintain a relatively low acreage burn. The 1981 season resulted in a total of 1,624 fires, burning a total of 437,398 acres.

Mr. Laughren: Before you go on to parks, could I ask a simple question?

Mr. Chairman: Certainly, Mr. Laughren.

Mr. Laughren: Thank you, Mr. Chairman. Unless I missed it in there, which I do not think I did, you did not mention these fuel woodlots you have all across the north. Are you going to mention it later on?

Hon. Mr. Pope: No. I thought I would leave that for you to examine.

Mr. Laughren: I just wanted to ask you about the revenues. I can wait.

Hon. Mr. Pope: Turning to provincial parks, our extensive provincial parks system consists of 131 parks and 107 park reserves. It encompasses some 10.7 million acres within parks, nearly four per cent of the province's total land base. These areas are managed specifically for the benefit of present and future generations. They are dedicated to the people of Ontario and others who may use them for their healthful enjoyment and appreciation.

The goal of the parks system is to provide a variety of outdoor recreation opportunities and to protect provincially significant natural, cul-

tural and recreational environments, as well as to provide economic benefits from tourist use of the parks. The province is divided into a set of 13 site regions encompassing 65 site districts, according to the ecological land-use system devised by Angus Hills I mentioned earlier. The distribution of parks in three classes is based upon representation of the diverse range of natural environment landscapes within this system.

The parks people in my ministry have been engaged in a very thorough planning process for the last few years, aimed at the development of a long-term master plan for each park. This work has had to be set aside temporarily, while we complete the priority work on the province's land use plans, which require considerable input with respect to our provincial parks system.

Our parks system is a fine achievement in which all Ontarians can take pride. Its long-term planning targets include protection of a representative set of earth science features through the representation of each distinctive unit of Ontario's earth science history and diversity. The life science target is to protect a system of provincially representative life science features through representation of each distinctive vegetative habitat or site type in the province. There is also a target to protect a system of representative landscape related to all phases of Ontario's human history.

I mention these because I do not think enough people realize that our parks serve far more purposes than simply camping. We have taken the needs of science and the concerns of those who appreciate wilderness into account in planning our parks system.

Interjections.

Hon. Mr. Pope: Each year our parks attract between five and six million visitors. This travel by Ontarians and by people from out of the province contributes about \$150 million to our provincial economy each year, much of it in areas whose economies are more or less dependent on tourism.

Even with the large annual volume of visitors, our parks are by no means overutilized or overpopulated. Thus, an active advertising program and promotion campaign for the parks system was undertaken this year. A six per cent increase in attendance was set as the goal. My ministry spent \$1 million working with an advertising agency to orchestrate a combined radio and newspaper marketing strategy throughout Ontario.

From early May until mid-October, newspaper ads in major daily and weekly papers and radio spots on most Ontario stations emphasized a range of outdoor recreation activities available in Ontario provincial parks. Prime focus was given to the unique activity appeal of our parks system. We were careful not to attempt to take customers away from the private sector groups.

Mr. Laughren: I guess not.

Mr. Wildman: Despite what they say, it was a good move.

Mr. Eakins: Do you incorporate advertising for the private sector when your own parks are full?

Hon. Mr. Pope: We advertise in each area of the province a range of camping opportunities and recreational opportunities in our own parks and also other parks. When our parks are full, we make recommendations with respect to alternative facilities.

Mr. Eakins: A few years ago the complaint of the private sector was that the announcement said that the provincial parks are full; so the people stayed in the city and said there was no point going up, and the private camp grounds were sometimes empty.

Hon. Mr. Pope: We have tried to improve that and have had a moderate degree of success in most areas of the province. The industry is a little happier with our efforts. Through our reservation system as well, we have been able to get more information out quicker to the people who want to have a camping experience but may not be able to use our parks. We have worked at it.

Mr. Eakins: Is your reserve system successful?

Hon. Mr. Pope: It can always been improved, but I think it has been successful.

Mr. Sheppard: Mr. Minister, did you open up any new parks this year?

Hon. Mr. Pope: The answer to that question is we have a number of programs with respect to parks. We have improved some parks this year. We have provided for more facilities. I do not think we have designated any new provincial parks, except for Madawaska Wild River Provincial Park this year.

As a result of the campaign, we were able to achieve our target of a six per cent increase in attendance over 1980. This was done in a year when other park systems and tourist sites in the province have experienced declining attendance.

Mr. Eakins: Wait a minute. That is not what Larry Grossman said. He said a 27 per cent increase.

Hon. Mr. Pope: That is in tourism. He was speaking of tourist sites and other—

Mr. Wildman: Despite the fact that tourist sites attract campers away from the other sites, it was still a good thing.

Hon. Mr. Pope: As part of the review process to determine the effectiveness of our campaign, a public reaction survey is now being undertaken.

This advertising program is in the context of a broad goal of making Ontarians more aware of their provincial parks and making sure that they use their parks to the fullest possible extent, while protecting those aspects of the parks which makes them special. The people of this province have, after all, a significant financial investment in the parks system. Exclusive of land, it is something in the order of a \$225-million capital asset. Many of the parks are accessible to our centres of population, and we would like to encourage Ontarians to see them as convenient and welcoming attractions.

Mr. Wildman: How about setting one up between the Sault and Sudbury?

10:10 p.m.

Hon. Mr. Pope: We want to broaden the public perception of provincial parks beyond the traditional camping images to include a wide range of potential park experiences. We also want to encourage a more equitable distribution of visits throughout the entire park system and to encourage shoulder season, that is, spring and fall, and winter activities where appropriate.

We have adopted a number of marketing principles to encourage park use. Our marketing for one thing will emphasize the main appeal of each park and emphasize the availability of distinctive experiences and activities in provincial parks. We are undertaking our marketing promotion, I might add, in partnership with the neighbouring communities and the private sector generally.

I should mention, too, that it is our firm commitment to provide a very high level of dependable service in our parks at all times. Parks must be open when needed, properly developed and maintained, and operated in a hospitable, efficient manner. I am proud to say that the parks staff is successful in providing that level of service. I believe we lost a few

customers during the 1970s due to unfortunate rowdyism. The alcohol ban remains firmly in place and is solving that problem.

Priority in reaching out for old customers and new ones is being placed on the attractive activity areas, including visiting historical or natural sites, canoeing, backpacking and hiking, naturalist activities, including bird watching and wildlife viewing, winter sports, such as cross country skiing and snowmobiling, sight-seeing and camping.

Mr. Wildman: You do not have your winter trails program any more.

Hon. Mr. Pope: I do not know. I think it has served a great purpose. It has opened up a lot of new recreational opportunities in Ontario.

Mr. Wildman: Why did you cancel it?

Hon. Mr. Pope: It was a temporary program when it was first initiated. It has served its purpose and provided seed money the way we wanted it to.

Mr. Wildman: You provided seed money, but now you are going to let it wither on the vine.

Hon. Mr. Pope: I do not think it will wither on the vine.

Mr. Eakins: Do you have winter activities in parks?

Hon. Mr. Pope: Yes, in our own park in the city of Timmins. Can I talk about Timmins, that great site for the food terminal? In the city of Timmins in our own park, Kettle Lakes Provincial Park, we have a number of winter activities, cross-country ski trails and snowmobile trails. There are a number of activities carried out there in the winter.

Mr. Eakins: But that is only a few. It is not on a general basis that provincial parks are open.

Hon. Mr. Pope: I cannot give you a generalized statement, but where the demand is there we have been trying to accommodate it, and I think successfully.

Mr. Laughren: Do you know that I stood in for you this summer at a provincial park facility? At Halfway Lake in Sudbury.

Hon. Mr. Pope: Thank you very much. I hope you said a few kind words.

Mr. Laughren: I did.

Hon. Mr. Pope: I better finish this tonight. We have been promoting these distinctive experiences using the "discover" theme to

dovetail with the Ministry of Industry and Tourism's, "Ontario—Yours to Discover" promotional theme.

Mr. Martel: Are you using photos in the Ontario North display now?

Hon. Mr. Pope: I have some slides of my family that float around.

Mr. Martel: I thought you were going to put them in Ontario North now or somewhere—the LCBO.

Hon. Mr. Pope: Turning to wetlands, the Ministry of Natural Resources in co-operation with the Canadian Wildlife Service has begun an inventory and evaluation of all wetlands in southern Ontario. The project will take several years to complete. It is the first step in developing a wetlands policy for the province.

Wetlands are an important natural resource. They provide breeding habitat for fish and waterfowl. I am concerned that their natural resource value be considered in the land-use planning process in Ontario. I have also released a public discussion paper concerning wetlands which asks for input into the policy-making process. In 1982 I will present my cabinet colleagues with a draft wetlands policy for their consideration.

Our new deer management program has been well received by most sportsmen. Hunters have expressed agreement with the principle of a selective harvest system whereby only a certain proportion of hunters in a given management area would have the right to hunt antlerless deer. As a result of both the selective harvest system and two good winters, we have more deer in Ontario now than two years ago. With a continuation of mild winters we should have a bumper crop of fawns in the central deer range in 1982. Another possible spinoff of the selective harvest system is its effect on hunting accidents. In 1980 there were fewer accidents and none were fatal.

With respect to rabies, the research program which began in my ministry—because of the members of the opposition we had to deal with—was promoted as a wildlife research project dealing with foxes and has progressed with the assistance of provincial lottery funds into a full-scale biomedical research program into the control of rabies. I will report on its findings in the future.

One of the most popular wildlife management programs is our so-called nongame program. It deals with animals such as endangered species and includes amphibians, reptiles and even rare

plants. Work within this program is concerned with determining the status of animals and plants that we have not had time or resources to examine in the past.

In 1981 we undertook to enhance the status of the peregrine falcon. We had a reintroduction program in Algonquin Park and one above my office across the street. Both were successful. I cannot think of anything my ministry has done in recent years that has been quite as popular. Under the scrutiny of the city of Toronto and under the care of our biologists, Ministry of Government Services technicians and government of Ontario security staff, four peregrines were raised from infancy to near adulthood and all headed south for the winter on schedule. We look forward to their return next spring.

Research into the life history and habits of the black bear in Ontario is now at a stage in which conclusions are being drawn. It is now opportune to begin a re-examination of the management of black bears. While some people regard the species as a nuisance, they are one of the most highly valued big game animals in Ontario and one of the most vulnerable due to their low productivity.

You have probably heard a lot about a possible new moose management program from your constituents. We have been talking to hunters all over the province for a couple of years about a new method of reducing pressure on our moose herd. In most cases of open access, too many moose are shot. A simplistic solution would be to close the season, but this could not work because the same problem would await us when we reopened it. We are, therefore, talking to hunters about a system which would guarantee them a quality hunt somewhere in the moose range once every two years. More details will be published as our plans progress.

Interjection.

Hon. Mr. Pope: In fact, we have. That statement which I have heard from other sources is erroneous.

In June 1979 we began implementation of a fisheries management program in Ontario. It followed a study which indicated we had to act to reverse the decline in Great Lakes and inland fisheries. We are currently improving our fisheries management capabilities. Fish rehabilitation programs, such as fishways and spawning beds, have been constructed to demonstrate what can be done immediately to rebuild fish populations and create fishing opportunities.

The Ontario fisheries information service has

been upgraded through the addition of new assessment units. Public awareness has been heightened through television programs done in collaboration with the Ontario Education Communications Authority.

Fish culture capabilities have been expanded through the identification of potential sites for new fish culture facilities throughout the province. Additional planning and design work has been completed for the reconstruction of the Tarentorous hatchery and the expansion of the North Bay hatchery substation.

10:20 p.m.

Toxic substances continue to be of concern for fishing, particularly in the Great Lakes. My ministry is concerned because of the potential for damage to fish populations. Toxic substances may pose a problem for human health as well, through fish consumption, of course, which is why environmental health bulletins of the Ministry of the Environment keep people informed as to the safe consumption levels.

My ministry participates in the annual planning of fish contaminant monitoring with Environment Ontario and collects the samples. We also consult with the federal fish inspection branch regarding impacts of contaminants on commercial fisheries, and we regulate as required.

Great Lakes problems are of international concern. Most recent attention, as you know, has focused on the Niagara River which receives heavy loadings of industrial waste, particularly from the US side. The International Joint Commission is addressing the problem, and members of my ministry staff participate in IJC meetings.

Some conflicts have arisen between the recreational and commercial fishermen in Ontario. In the Bay of Quinte, for example, fishermen are extending much effort to harvest the 1978 year class of yellow pickerel. Commercial fishermen are limited to 11,000 pounds, while the creel for recreational fishermen was reduced from six fish to four. Though there have been accusations from both groups, my ministry has presented a case for preserving the yellow pickerel stocks since tourist operators, recreational fishermen and commercial fishermen are respecting the restrictions.

In western Lake Erie my ministry has acted on complaints expressed by commercial fishermen concerning the catches of the nonresident charter boat operators. To curb the large harvest of yellow pickerel by the nonresidents, a

regulation was invoked limiting charter boats to 18 fish.

With the introduction of commercial fishing into Lake St. Clair after the 10-year ban because of mercury, confrontation and heated discussion by anglers against the re-entry of commercial fisheries extended for a two-year period before commercial fishing was allowed under tight controls and monitoring by my ministry.

In Georgian Bay splake and yellow pickerel are sought by both groups. Commercial fishermen have been limited to 38,000 pounds of yellow pickerel, while the anglers have no limits as yet. Negotiations regarding how to limit the harvest so that the populations increase to their former levels are continuing.

In Lake of the Woods yellow pickerel appears to be holding its own. Commercial fishermen are limited to 345,000 pounds, and the nonresident charter boat operator is limited to 18 fish as in Lake Erie.

Fishermen are worried about smelt stocks and the actual length of the fish appears to be decreasing. Export markets are strong and the fishing effort is increasing. My ministry has little information to support the claims of the commercial fishermen that smelt stocks are decreasing, but we will agree to the wishes of the industry. Smelt quotas for lake Erie by January 1, 1983, are a probability.

I mentioned acid rain earlier in these remarks in connection with the activity of the Ontario geoscience survey. Along with many other people in Ontario, this subject is of grave concern to my ministry. Although the Ministry of the Environment has the primary responsibility for working towards some kind of resolution of the problem, none of us can afford to be complacent.

My ministry is concerned primarily from the standpoint of potential for damage to natural resources, especially trees, wildlife and fish communities. We continuously assess the ability of lakes and streams to withstand the effects of acidic precipitation. By the middle of this year, 3,000 waterbodies had been tested. Contracts to study the effects of long-range transportation of air pollution have been awarded to universities and consultants.

Interjections.

Mr. Laughren: Do you think you can find out where it is coming from?

Hon. Mr. Pope: Would you like to know the extent of the problem and in what lakes?

Mr. Laughren: We know.

Hon. Mr. Pope: Good. I am glad you agree with our initiative.

Interjections.

Mr. Martel: I opposed the superstack 10 years ago, and they wouldn't listen. Now it is going down into Muskoka, thank God.

Mr. Riddell: Do you know how many lakes are dead and how many are approaching that state?

Hon. Mr. Pope: I will be telling you the state of our research and the steps we have tried to take to offset the effects of the acid rain.

Mr. Laughren: Hasn't the federal government already told you that?

Mr. Riddell: Have you any idea of how many lakes are dead, beyond the point of no return?

Hon. Mr. Pope: In some areas we do, but not in all of them.

Mr. Laughren: Hasn't the federal government told you that? Why don't you read the federal reports?

Hon. Mr. Pope: Do you mean the estimates containing that report?

Mr. Laughren: Yes.

Hon. Mr. Pope: He asked for a specific answer on how many lakes, and I can't tell him that out of 250,000 in Ontario.

Mr. Kerrio: They are in various stages of acidity.

Mr. Riddell: There was a committee that looked into this before and it told us how many lakes were dead.

Hon. Mr. Pope: They gave you their estimate.

Mr. Wildman: One hundred and forty.

Mr. Riddell: But how many have died since then?

Interjections.

Hon. Mr. Pope: Because fish populations in the Algonquin highlands and near Sudbury, Georgian Bay and Algoma are in water with little or no capacity to buffer the effects of acidic precipitation, my ministry's fisheries investigations are concentrated in these areas. Our major concern is the loss of eggs and fish fry through the very strongly acidic snow melt waters that flood these areas each year. It may be that this phenomenon is the major cause of shrinking lake or brook trout populations.

Interjection.

Hon. Mr. Pope: Thank you very much. I am

glad you agree with our efforts at gathering that kind of detailed information and not leaving it to speculation.

Mr. Martel: You are 10 years behind us. Do you think we are speculating about what we have seen in the Sudbury area?

Hon. Mr. Pope: I am not saying that.

Mr. Martel: You have never admitted who is doing it to them.

Hon. Mr. Pope: I have said that we need to do specific research on specific bodies of water to gain detailed information.

Mr. Martel: You can get all the detailed information.

Hon. Mr. Pope: My ministry advocates that the only sure solution to this problem is effluent abatement at the source.

Mr. Laughren: If only you can find the source.

Interjections.

Hon. Mr. Pope: I am glad you finally agree with our government's policy.

Mr. Riddell: How many years has it taken us to find out what the problem was?

Mr. Laughren: He has not found the source yet.

Hon. Mr. Pope: Even when this does occur it will take a long time to be manifested and we would continue to lose important fish resources. Therefore, we have started a five-year program to determine whether artificial neutralization of special water bodies could be used as a stopgap until pollution abatement takes effect. The study and the neutralization process are experimental and should not be considered as a feasible solution to acidic precipitation for all of the potentially affected water bodies of the province.

That, Mr. Chairman, constitutes some of our preliminary comments with respect to the more important issues as we see them confronting the ministry. There are many other important areas which we will be pleased to discuss with the honourable members, and no doubt we shall have an exchange of points of view in the days to come. Since we have a minute and a half left, that pretty well wraps up my comments for this evening.

Mr. Eakins: Is the neutralization program through your ministry, through the Ministry of the Environment, or through both of them together?

Hon. Mr. Pope: It is a joint program.

Mr. Martel: Have you ever dealt with the sources in the Sudbury basin yet, seeing that neither ministry has been prepared to admit it to this time? Have you come to that conclusion yet?

Hon. Mr. Pope: I thought we had some control orders.

Mr. Martel: No, they have never admitted that is the source.

Hon. Mr. Pope: Why do they have the control order?

Interjection.

Mr. Chairman: That concludes the minister's opening statement. We shall reconvene Thursday at 10 a.m. There will be no Thursday evening session this week. I understand that has been agreed among all parties.

The committee adjourned at 10:28 p.m.

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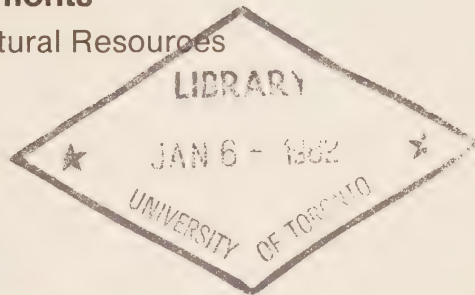
Legislature of Ontario Debates

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Standing Committee on Regulations and Other Statutory Instruments

Estimates, Ministry of Natural Resources



DEPOSITORY LIBRARY MATERIAL

First Session, Thirty-Second Parliament

Thursday, November 12, 1981

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Thursday, November 12, 1981

The committee met at 10:04 a.m. in committee room No. 1.

ESTIMATES, MINISTRY OF NATURAL RESOURCES (continued)

Mr. Chairman: I see we have a quorum. At the outset, I would like to have the committee's concurrence that we adjourn today at 12 noon. Is that acceptable to all concerned? Okay.

Mr. Eakins?

Mr. Eakins: Thank you very much, Mr. Chairman. I appreciate the opportunity to make some brief opening remarks on behalf of the Liberal Party on the occasion of Ministry of Natural Resources' estimates.

First of all, I would like to express my congratulations and good wishes to the minister on his appointment to this ministry. I think it presents a very interesting challenge to him and an opportunity for this province. The Ministry of Natural Resources is certainly very important; some people, I suppose, think that natural resources simply means an accent on northern Ontario, whereas, of course, all of Ontario depends on the natural resources.

For the last five years I have been critic for the Ministry of Industry and Tourism and the experience in that role has shown me that a very close working liaison is necessary between the Ministry of Industry and Tourism and the Ministry of Natural Resources. As the representative of the riding of Victoria-Haliburton, I am very much aware of the work of Natural Resources in that area, for there are three districts which form part of my riding, the district offices in Lindsay, Minden and Bancroft.

Before getting into some formal remarks, I would like to pay tribute to the staff of the district offices, the district managers and the staff of the various ministries for the co-operation they have shown to me. I have found them most helpful in understanding the work of the ministry. I also would like to say I have appreciated the work of George Hamilton, who is in charge of the Leslie M. Frost Natural Resources Centre at Dorset, the resource centre

which provides great opportunity for young and old, students and groups who want to learn more about the natural resources of Ontario. This centre plays a very important role and Mr. Hamilton, I feel, is doing an excellent job on your behalf.

I want to make the recommendation that somewhere in Ontario we should have a natural resource museum and I cannot think of a better place to set it up where it would be accessible to all than in the Dorset area, which already serves as a resource centre. I would suggest that some serious consideration be given to set up something of this type. I was there this summer and it seems to me a very good area which has access from both north and south. I hope the minister and his staff, and the deputy minister, Mr. Foster, will consider this very seriously.

Mr. Stokes: I think it is a good idea to put it in southern Ontario, because that is where they have raped the province so badly. It would be something to remind Canadians in Ontario of their heritage, because that is about all that is left in southern Ontario.

Mr. Eakins: The Dorset area is very close. It is hard to define northern Ontario, because the French River means different areas according to what is being discussed, like drivers' licences and things like that. But the Dorset area is close to both north and south.

I am pleased to respond to the minister's remarks on behalf of the official opposition. While the minister has presented us with the highlights of his ministry's activities during the year on the possible areas of discussion, there are still questions which remain unanswered and which we, no doubt, will have a chance to discuss over the next few hours in these estimates.

The Ministry of Natural Resources is the ministry concerned primarily with management for the short and the long term and must balance the needs of many groups of society. Too often, however, the ministry approach to planning has not reflected this reality and decisions have been based on an ad hoc approach. I am particularly concerned over the state of our forest resources in this province, their development and regeneration.

At one time our forests far exceeded our needs and natural regeneration of our harvested areas seemed adequate. Those days are long gone and it is well recognized by all concerned that present levels of forest management are inadequate if the forest is to continue to play its traditional role in the development and growth of our economy. The forest industry provides employment to 79,000 people in Ontario and there are many one-industry communities in northern Ontario that derive their livelihood from logging and the related timber processing industry.

10:10 a.m.

A recent federal government discussion paper entitled, "A Forest Sector Strategy for Canada," lists the most important issue facing the forest sector as timber supply. It warns that forestry is now in a critical transition stage where "mining" must give way to systematic forest renewal. The minister, I am sure, must be concerned about the situation described in Ontario. It states that a reduction of the annual allowable cut for softwood is likely to be made because of a failure to adequately regenerate a large proportion of forest lands cut over during past decades.

The annual allowable cut has been set, as the minister knows, above the long run sustained level in order to accelerate the removal of overmature forests. The forecast for this plan is for completion by 1996. At that time, the annual allowable cut will be reduced significantly. The results of this impending fibre crunch will have serious economic consequences. The Hearst and Chapleau areas are those areas which are now in the greatest jeopardy. The federal report states that shortages in these areas will become more widespread in the 1980s unless forest renewal performance improves dramatically. I suggest that the time has now arrived for setting realistic annual allowable cuts for the next two decades.

However, Mr. Minister, this report, of as great concern as it must surely be, does not tell us anything that numerous reports and foresters have not been telling the ministry for more than a decade. As far back as 1967, a report of the forest study unit to the Department of Lands and Forests recommended, "That forest management be progressively intensified so that the regeneration and the tending of the forest crop will supply raw material to the forest based industries on a sustained yield basis to the full economically attainable production potential of our forest lands."

In February 1980 the report of F. L. C. Reed

on wood fibre supply and demand in northern Ontario warned that, "In each of the four regions of northern Ontario, normal fibre demand of the integrated companies exceeds the current allowable softwood cut under licences. As most cuts are expected to be reduced by 20 to 25 per cent when they are next calculated, the shortfalls will increase substantially over the next 20 years."

The report that was done for the Royal Commission on the Northern Environment by Lakehead University in October 1980 on the economic future of the forest products industry in northern Ontario warned that current fibre requirements exceed the present and foreseeable supplies at existing standards of utilization and the industry is therefore faced with possible wood shortages in the not-too-distant future—immediately if the annual allowable cuts were to be revised downward to reflect the sustained supply.

This situation of impending timber shortages is of immediate concern to independent sawmill operators because the major pulp and paper companies have huge supplies of allocated timber and most sawmills work on a third-party user agreement. They will be the first to feel any cutbacks in AACs, since there is no guarantee that third-party agreements will continue.

The basis of the problem seems to be that the major pulp and paper companies have an adequate supply of timber allocated to them while the sawmills do not. Your predecessor, Mr. Auld, had expressed concern over this inequity in timber allocations and had promised to examine the situation. In fact, in a meeting with some of the people in northern Ontario not too long ago, Mr. Auld is quoted in one of the northern papers in which it states: "Auld said his ministry is well aware of the economy of the sawmill industry and is anxious to see sawmills thrive, promising to lean on 'those who can help you more.' Auld said his ministry should study the report more." I would like the minister to comment on any action that has been taken by him in this area.

The current situation in the regeneration of Ontario's forests is unacceptable. Our attempts to grow the second forest have been largely unsuccessful and the backlog of unregenerated forest land is starting to catch up to us. The situation continues. Of the 599,671 acres of total cutover land in 1980-81, regeneration was taken on only 48 per cent of the land, 258,986 acres. Natural regeneration occurred on 181,681 acres, which means that 159,004 acres were left untreated, essentially written off.

We are falling behind in our regeneration efforts by over 150,000 acres per year. Surely our reforestation effort must be directed to regenerate artificially all areas where natural regeneration does not occur promptly and to reduce substantially the backlog of neglected land. Moreover, there is a lack of success experienced in many areas with container stock and a 20 to 30 per cent survival rate of nursery stock, for a variety of reasons.

I believe we can learn much about forest regeneration from the Scandinavian countries. A recent report in Canadian Pulp and Paper magazine on silviculture in Finland, as an example, amply demonstrates the difficult approach which that country takes in the management of its timber resources. Legislation there requires that all forest land must be regenerated as it is cut. The government commitment to the forest management in that country is total.

Along with my concern over the adequacy of present forest regeneration efforts is a concern over the forest industry cutting practices, in particular clear-cutting, the technique that lays waste to everything and leaves nothing to harvest for decades. The rapid increase in the size of modern forest industries, the trend to complete mechanization and the utilization of all species, has resulted in contiguous clear-cut areas in northern Ontario, extending up to 50,000 acres.

In June 1976 a report was done for the Ministry of Natural Resources with a proposed policy for controlling the size of clear-cuts in northern forest regions of Ontario, the purpose of which was to control and reduce the size of clear-cuts in northern Ontario. The policy proposal was to reduce the size of clear-cuts, despite the unpopularity of such a proposal with the industry, to a maximum of 300 acres.

I would remind the minister that this policy proposal had the support of all regional foresters and technical committees of the Ministry of Natural Resources. Nevertheless the guidelines have never been adopted by the government because of the desire not to inconvenience the industry.

In January 1977 the Ontario Forest Industries Association issued a response to the proposed policy on clear-cutting, stating, "For cutting constraints primarily to improve the wildlife habitat, aesthetics or recreational values, the cost of these constraints should be paid by the users of the forest and not the industry."

I believe that the OFIA, in response to your

policy, have stated in one of their releases: "However, the OMNR clear-cut control policies are so restrictive and the implications so costly, that the OFIA simply cannot afford to accept them. Alternative methods must be found which will achieve silvicultural effectiveness in a substantially less costly way."

Surely, Mr. Minister, with the \$100 million modernization grants—which, by the way, the report of the Lakehead University study to the Royal Commission on the Northern Environment found was wasted because the firms made enough money to have paid for the work themselves—and the DREE subsidiary agreement signed in 1978 to provide industry grants for road building, the province would not overly inconvenience the industry by introducing maximum cutover limits, as suggested by your own ministry guidelines.

Both British Columbia and Alberta have established mandatory upper limits for clear-cuts. Moreover, these huge clear-cuts have detrimental effects on wildlife populations. Moose populations in the province have decreased by 35 per cent from 15 years ago, primarily as a result of habitat deterioration.

I would also like to bring to the minister's attention a letter written in September 1980 by his predecessor, Mr. Auld, to the Armstrong Area Citizen's Committee for Children, in which he stated, "I support clear-cuts of moderate size and possibly a maximum of 160 acres in certain areas." Mr. Minister, why do we still not have a maximum clear-cut limit in Ontario?

10:20 a.m.

Another major concern is the wasteful timber harvesting practices, a major obstacle to any kind of silviculture which must follow the logging operation and the sometimes incredible volumes of residual wood which one finds in the cutover areas. This occurs in the form of (a) undesirable residual stands of species, usually poplar and birch, left standing on the site, which precludes any natural regeneration of desirable species from occurring, or making artificial regeneration prohibitive or even impossible; and (b) excessive logging residue left on sites, which precludes natural regeneration from occurring because areas of potential seed bed are covered and cannot be, practically, exposed after logging. Conifer fibre left on areas harvested is as high as 25 per cent of the original volume.

Penalties for wasteful practices in forest operations, as defined under the Crown Timber Act, have remained the same since that section

of the act was first introduced. In 1975, the report of the special program review found that the forest industries were wasteful in their logging operations and recommended that the schedule of charges for wasteful practices be raised to a level that will reduce or remove such waste.

As a result of the concerns expressed over wasteful practices by Ministry of Natural Resources regional foresters at the Ontario Conference on Forest Regeneration in March 1978, at Thunder Bay, the minister at that time, Frank Miller, established a working group in the ministry to look at this problem. The minister wrote to the Ontario Forest Industry Association in May 1978, suggesting that there should be greater dedication by industry to the reduction of waste. An inhouse committee on wasteful practices was also established. We have yet to hear of any initiatives that the ministry is taking in this area.

Mr. Stokes: He was getting too close to the truth. That is why they moved him.

Mr. Eakins: That is right. Will the minister provide us with the report of this inhouse committee?

I would also like to point out, Mr. Minister, that your own reports, specifically the report, *Regeneration in Ontario*, done by Mr. C. J. Heeney in 1977, has shown that only one third of the cutover areas of land which he examined in northern Ontario could be regenerated, and two thirds of the area was not treatable due to site, topography, or residual trees left after logging.

The government seems to be basing the major part of its forest management policy on the new forest management agreements with the companies. These agreements, however, cover only 22 per cent, a small portion of the limits each of the companies has. They do nothing for large areas of the forests that have already been cut over and need reforesting and they do nothing to help the reforestation of limits where companies do not sign forest management agreements with the government.

Neither do the new agreements address the question of a maximum clear-cut limit, or the question of wasteful timber practices. Moreover, the latest proposed forest management agreement with Abitibi-Price in Thunder Bay contains two basic flaws. First, the company may overcut its allowable cut by more than 10 per cent; and secondly, the company will be allowed to pay the Ministry of Natural Resources the cost of reforesting if overcutting occurs, without any guarantee that this money will be

used for reforestation.

Another area of major concern is the whole question of public participation in the decision-making process of the ministry, particularly on long-range planning and specifically as it concerns the development of the strategic land-use plans for northern Ontario. The Ministry of Natural Resources has done little to encourage public input in the SLUP plans and has not incorporated input which it has received.

Present press reports have indicated that the minister has established an internal task force to develop a policy for public involvement. This task force was set up as a result of the Douglas report, which indicated that if the ministry wanted to be regarded as open, organized and honest, then staff must give the public sufficient information to follow the decision-making process from beginning to end, setting out the magnitude of the problems and explaining the options under review and the priorities of the government. However, there is to be no public participation before this task force reports to the minister.

Mr. Minister, I would like to know the terms of reference of this task force, and why no public input into the decision making is to be allowed. The Algonquin Wildlands League has submitted a brief to the minister and the task force on public participation, which aptly states, "To develop a policy on public involvement without any public input would, of course, be self-defeating and reinforce a cynical view of ministry policy making."

I would like to know how the minister intends to improve public participation, in view of the fact that you are shortening the date for finalizing the strategic land-use plans to March 31, 1982, hardly enough time to allow for meaningful public input. We also have the further example of the establishment by the minister of an inhouse committee, headed by Mr. Richard Monson, to select which options for park development will be made available for public discussion. The public will not be allowed to review all the alternatives which have been developed.

This action has been taken in spite of the fact that your predecessor promised, in a letter to the Federation of Ontario Naturalists in March of 1981, that when the regional systems plans for provincial parks were received from the regions, those plans would "be made available for review at the planning section of the parks and recreation areas branch." It has been suggested that this action has been taken in order to hold park

planning in abeyance while the ministry gets the forests signed away under the forest management agreements.

Is the minister aware that his own report, *Guidelines for Land-Use Planning*, states that "public participation is essential in the planning process"; that "participation is a process of mutual education and co-operation, which provides for opportunities for people to work together in the creation of a plan, and that the planning process must include distinct points where options are considered and full disclosures given of the consequences and tradeoffs associated with each option"? Are these guidelines not ministry policy and will the minister not adhere to the principles of these guidelines?

I am disturbed over the increasing conflict between forest industry and other groups, one being the tourist industry, over land use in proposed park areas, and the lack of any policy by the ministry to resolve these conflicts. Recent calls from the forest industry that wilderness parks be made available for timber harvesting ignores the real roots of the crisis in wood supply. This crisis has nothing to do with parks, but rather has to do with poor management of the acres now allocated to the timber companies. The solution is in sound forest management of cutover lands rather than establishing logging in potential parks.

As another example, the ministry still has not developed a provincial policy on the use of forest access roads. These roads have a devastating impact on fish and wildlife and the tourist industry, yet there is no forethought, no careful planning, and no policing of these roads into wilderness areas. These roads usually spell the end to outpost camps.

I remind the minister that the tourist industry in Ontario is as important as the forest industry to the economy of the north. The demands of both must be given equal consideration in the management of our resources.

The lack of new mine developments in the province is another area of great concern. Ontario has been a major producer of precious metals, and is still blessed with an abundant supply of them, along with nearly every other metal required by modern industrial society. Metallic mineral production in Canada in 1979 was worth some \$2.5 billion, and total mineral production was 3.3 per cent of the gross provincial product.

The ministry has too often in the past failed to meet the needs of this very important industry. A ministry whose responsibility it is to promote

resource exploitation while at the same time trying to promote resource conservation is unacceptable to either group, and this patchwork approach works against the best interests of Ontario and our people.

Between 1971 and 1980, some 30 mines closed in Ontario. While some 44,470 people were directly employed in the mining industry in 1971, there were only 38,600 employed in 1978, a decrease of some 5,870 workers.

10:30 a.m.

An important early warning indicator of the health of the mining industry in Ontario is the level of exploration activity. According to this indicator Ontario mining can anticipate a continuing decline in the future. Exploration and development expenditures, in 1971 constant dollars, went from \$14.5 million in 1972 to \$7.8 million in 1979.

A Department of Energy, Mines and Resources regional profile report last year on the Ontario mining industry stated: "The major concern affecting the mineral industry is the lack of new mine development in the province. No new mines have been brought on stream in Ontario for some years and there is little development activity at the present time. Indicators of exploration activities such as annual diamond drill footage and claims staked have also been declining for some years."

In 1980, another federal government report listed some 376 known deposits of minerals in Ontario which were not mined or slated for production in 1981. We had a trade deficit in mining machinery in Ontario of \$250 million in 1979. This trend must be reversed. We are very concerned that in the past decade very few mines have been found in Ontario and two of the largest were found by foreign corporations.

During the last few years prices of all metals have escalated from that in any previous 50 years, yet there has been no boom in the mining industry of Ontario. Many are wondering why. An analysis of production statistics published by the Ontario Ministry of Natural Resources over the 30-year period 1951 to 1980, for the seven major metals which account for 93 per cent of the value of metals produced, indicates a downward trend in the last five years.

This trend is not evident in other provinces, which have taken efforts to step up the level of mining industry activity. In Quebec, for example, there are 10 new mines that will be coming on stream in the next year or so and at least 20 mines are forecast to open by 1985.

Quebec has taken a number of initiatives to

aid their mining industry. They have established a provincial development corporation which is involved in joint ventures with private companies. It pays part of the exploration costs, or is involved in exploration itself. To alleviate financial difficulties for Quebec-based junior exploration companies, the Quebec Securities and Exchange Commission has adopted new rules for the listing of junior mining exploration company shares. Junior mining exploration companies now constitute a distinct category.

There are a number of initiatives we in the Liberal Party have called for that would help re-establish Ontario as the largest mineral producer of any province. I would urge the minister to move in a number of areas, one of which is to consider—as a member of your own party discussed in the House in private members' debate—the establishment of a separate ministry of mines since the government does not give mining the priority and the importance it should.

Another initiative is to negotiate a federal-provincial agreement on resource taxation with a reasonable ceiling on total taxation to stabilize the system. This would replace the present process of budget-by-budget changes and taxation. Financing for junior mines in Ontario should be encouraged by means of a revision of the Ontario Securities Commission regulations.

In order to encourage mine exploration, more airborne geophysical surveys should be carried out on geologically favourable areas for the use of mining companies. We should insist on increased secondary and tertiary processing in Ontario of ore that is mined in Ontario. As part of an Ontario industrial strategy, we should develop a mining machinery industry based in northern Ontario.

Legislation should also be introduced to provide that the staking and recording of a mining claim is sufficient title to begin a small scale mining operation after all reasonable safety and environmental concerns have been taken into account.

Mr. Stokes: They have been reading your speech, Floyd.

Mr. Eakins: We like to co-operate and work together for the mining industry.

Mr. Laughren: We like to lead, John.

Mr. Eakins: That is right.

Without such legislation many small mineral deposits would never be mined due to their limited size. In order to encourage mining exploration, establish a program similar to that

existing in Quebec, Soquem, which provides for joint government funding of certain ventures in the early stages of mining development.

Mr. Stokes: A mixed economy at its finest.

Mr. Eakins: I have a number of other concerns, Mr. Minister, which I will look forward to discussing more fully when we get into the various votes. I would like, however, to comment on the ministry's management of our fisheries; the insufficient stocking, insufficient funding and the delay in the full implementation of the ministry's strategic planning for Ontario's fisheries program.

These concerns are shared by the Ontario Federation of Anglers and Hunters, which stated in their brief to you on June 19, 1981, "The Ontario Federation of Anglers and Hunters believes that good staff and good intentions within the fisheries branch and field offices are being thwarted by a lack of high priority for sports fisheries at certain levels within government."

The Ontario Liberal Party task force on tourism in 1978 recommended that the province move to implement a more comprehensive restocking program for our lakes, the funding for which could be derived from a resident angling licence. The Ontario Federation of Anglers and Hunters have suggested to you that a resident angling licence would not only boost the fisheries budget, but would also provide valuable data for the ministry on the numbers of anglers and their geographic distribution.

I ask the minister to comment on what plans, if any, the ministry has for implementing a resident angling licence. I want to say that while we would look seriously at such licensing, I would be totally against this if it were to be simply another way of raising funds for some other ministry. The funding would have to go into a fisheries program. I would totally oppose it if it were to go into the general consolidated revenue fund. I would like to have your comments some time during the estimates.

I do not feel I could close my remarks without saying something about the government's warped sense of priorities. We read the August 1981 Ministry of Natural Resources news release which informed us that the ministry was acquiring a \$10.6 million, 12-seat, executive jet, which will serve as nothing more than a kind of status symbol for the Premier (Mr. Davis).

I regret that while the announcement was made under his ministry, the minister made no reference whatsoever in his opening statement to this purchase. I fail to understand what

possible system of priorities would have allowed the minister to approve this purchase when we are falling behind in regeneration by at least 160,000 acres per year. This additional \$10 million would have been enough to regenerate more than 100,000 acres of forest land. Moreover, as a maximum, this executive jet will be able to fly into only about 27—I think I read the other day the figure of 18—of Ontario's 137 airports.

Even at 15 per cent the interest cost per annum just for the jet would equal \$1.6 million. A trip of roughly the distance from Toronto to Sudbury or Ottawa on a rented eight-seater jet could be made three times a day every day of the year before we would reach that figure. In addition, the travelling expenses of senior government officials do not seem to justify such a purchase. For 1979-80, the latest reporting period of the public accounts, we see that the total travelling expenses of cabinet ministers on government business amounted to \$291,357.

Mr. Stokes: Almost as bad as the federal Liberal cabinet ministers flying to Winnipeg about two weeks ago.

Mr. Eakins: That is right.

Mr. Kolyn: They had three jets flying to the same function in Winnipeg.

Mr. Eakins: We are elected to speak for the province of Ontario here, Al. I can assure you that we are interested in the province of Ontario and we will let the feds take care of themselves. This is our responsibility here.

Mr. Stokes: Let us keep it in perspective. The pot is calling the kettle black.

10:40 a.m.

Mr. Eakins: This figure includes all travelling expenses, hotels, meals, et cetera, and not just jet travel. Even if we add the travelling expenses of parliamentary assistants, \$34,610, and that of deputy ministers at \$157,186, the total still only comes to \$483,153, less than \$500,000 and far less than the interest on the cost of the new aircraft.

There are a number of areas which I will discuss during the votes. I would like your comments on some of the fish and wildlife programs.

I want to discuss with you the work—I am sure you are aware of it—of Dr. Ed Crossman of your ministry, whom we have met, and who I think is one of the top people in Canada in research. I feel his work should be given much greater status and priority than it has at present.

Since the deer season has just finished I would

appreciate your comments on the lottery system and how it is working out. We hear varied comments on that.

Then I would like to discuss the planned elimination of assistance to the snowmobile clubs in Ontario, especially after the ministry became very much involved in promoting this. To leave them now, I feel, shows lack of liaison between your ministry and the Ministry of Industry and Tourism.

There are also a number of other areas I will want to discuss more fully as we get into the particular votes. Meanwhile, I appreciate very much having had the opportunity to put forward these thoughts on behalf of our party.

Mr. Laughren: Mr. Chairman, I commend the member for Victoria-Haliburton on a good presentation and on some very pertinent questions which he has put to the minister.

I part company with him in one area, the old question of splitting the ministry by hiving off mines as a separate ministry. I think there needs to be that counterbalance in the ministry between parks, mining, forestry and so forth. Otherwise, if you had a minister of mines like Larry Grossman, and a minister of parks and forestry like Margaret Birch, you would have an undue emphasis on mining. I am using extreme examples obviously, but there needs to be that balance, the countervailing forces in the ministry, in order to keep our various resources in some perspective.

That is the main reason we do not support that proposal. The other reason is we worry about the clout of the Ontario Mining Association and the enormous pressure which would be brought to bear on the minister of mines, particularly if he happened to be from Timmins.

The minister's opening statement revealed a great deal in what it did not say. I was really astounded that there was virtually nothing about the whole question of the Royal Commission on the Northern Environment, which should have an enormous impact on northern Ontario. There was absolutely nothing about processing our minerals or the exemptions from processing, or about mining machinery; nothing about the problems he is having with our native people on the question of the wild rice problem, the headlands issue, the hunting and fishing disputes; and there was nothing about a spraying program. I was surprised that some of those things were left out.

Mr. Haggerty: It is the same speech. You have had it for years.

Mr. Laughren: Is that right?

Mr. Haggerty: Yes. It is recycling, that is what it is.

Mr. Laughren: I will get on with our critique of the ministry and some of our proposals.

This ministry has always been underrated in its importance to Ontario. Control of our forests, lakes, mines, parks and indeed most of northern Ontario is in the orbit of the Ministry of Natural Resources. There are major issues right now concerning those resources and many others. While I believe that the new minister is trying, the years of mismanagement and down-right negligence are difficult to overcome.

I do want to make it clear that while I do believe the new minister is working hard and trying, I also believe he has already been guilty of some very significant errors in judgement. I believe the minister is still not exercising proper stewardship of our forests.

Our lakes continue to be destroyed by sulphur dioxide, heavy metals and other pollutants. Our mines are still in the hands of the private sector and that situation will never result in a maximum return to the people of this province. Our minerals continue to be extracted here and processed elsewhere. Our existing parks and potential park sites are being given short shrift by this minister and his senior staff.

Northern Ontario has still not taken its proper place as a key industrial region of the province. The north remains a resource hinterland and the minister has given no indication that he even understands what must be done. Of course, our native people, who live primarily in the north, continue to be treated shabbily by this government. The granting of wild rice harvesting licences to non-native people violated the spirit of the moratorium to which the Premier had already agreed.

So all in all, there is much to be done. This minister has been up to his ears in the day to day bureaucracy of his ministry. This may make him aware of how his ministry ticks, but does not allow for broad policy initiatives to be developed and carried through.

Having expressed these broad and positive criticisms of the ministry, I owe it to the minister and his staff to be more specific and I would like to begin with land-use planning in the north.

This ministry launched an ambitious plan to establish the proper use of land and water in Ontario. Strategic land-use planning is a commendable concept and one which we support in principle. We would not want to jeopardize this process by forever throwing obstacles in its

path, but we are planning for more than the immediate future. I believe the length of time it would take to do the planning was to be about 10 years, ending in 1985, and that the resulting plans would be in place for 20 years, but they would be renewable.

The reality of course of the planning process we are going through now will have ramifications for much longer than 20 years. Adequate wilderness park reserves set aside now, for example, will have ramifications for perhaps hundreds of years. So, we are very worried about some of the things which are happening in that planning process.

Just as an example, I would have thought that the regional land-use plans would be done first, dealing with the policy and planning level. The district land-use plans would then fit into the regional plans and draw lines and come up with the numbers within the regional plan. The district land-use plans do the nitty-gritty, small bits of planning, fit into the regional plans and then they react to one another in the process. But as I understand it, the regional plan is going to be completed before the district plans. I am a little confused about that. Perhaps the minister could explain what went through the minds in the ministry to establish the planning that way.

In this strategic land-use planning process, the Ministry of Natural Resources is making a statement on behalf of the people of Ontario about what their vision is of certain aspects of life in this province. If we opt for maximum exploitation of a resource, such as our forests or our minerals, without significant regard for the environment, the longevity of the resource and the lifestyle of all our people, we are not fulfilling our obligations.

If we opt for the expediency of bureaucratically determined deadlines, if we skimp on park reserves because of immediate pressure for timber, or if we violate agreements with our native people because some commercial enterprise wants to harvest wild rice, then we should pause now before it is too late. I believe we are at precisely that point now.

I have read some of the excellent material prepared by the Algonquin Wildlands League. That organization has identified a number of key issues that are present in the strategic land-use planning process:

The failure of SLUP to deal with long-standing northern development issues; the inadequacy of public involvement in the planning process and the lack of planning options; the insecurity of fibre supply for the forest industry

is poorly addressed; provincial parks and environmental protection mandates are receiving second-class treatment; and the lack of clarity about the relationship of SLUP to other government programs, such as the Royal Commission on the Northern Environment.

It is completely beyond my comprehension how SLUP can continue merrily on its way while the Royal Commission on the Northern Environment conducts its own incomparable investigation of northern issues.

Mr. Stokes: Or lack thereof.

Mr. Laughren: Yes. I will deal more directly with the royal commission later, but surely it is ludicrous for SLUP to proceed oblivious to the Royal Commission on the Northern Environment.

10:50 a.m.

The question of the economic development of northern Ontario is not being dealt with by SLUP. What about one-industry towns? What about the further processing of both minerals and wood?

I understand that the SLUP problems are causing the ministry some headaches, but it is worth attempting to resolve the contradictions.

It is my understanding that the district land-use plans are to be completed by December 1982 and that the district land-use plans fit into the overall land-use planning process. I believe it is the intention of the Ministry of Natural Resources to complete the forest management agreements by around April of 1982. How in the world can there be meaningful participation in the district land-use planning process if the FMAs within any given district have already been signed?

The minister and I have disagreed profoundly on this but I do not know how the minister can set aside major blocks of land for forest management agreement and then say to the districts, "Now, with what is left, you do your planning." I think his doing that is making a mockery of the planning process.

The other thing that bothers me a great deal is the way the master park planning process is put on the shelf, and at the same time the forest management agreements are being signed and the district land-use plans are being proceeded with. I might say that I am not the only one who is—

The minister always shakes his head and says, "Well, your job is to criticize, I suppose," or words to that effect, but the fact is there is a great deal of dissatisfaction with the way he is proceeding with the forest management agree-

ments. That dissatisfaction comes not just from the opposition, not just from the conservationists, not just from the tourist operators, but from within his own ministry—

Hon. Mr. Pope: And from the industry.

Mr. Laughren: Yes, and from the industry. What I do not understand is why the minister does not listen to anyone when it comes to the signing of the forest management agreements. Your own people, very senior people in your ministry, are very unhappy with you proceeding with the forest management agreements before the land-use planning process is completed; they are very unhappy. As a matter of fact they are telling me about it.

There is adequate evidence that you are proceeding when you should not be. I will not read some of the material into the record, but the minister knows there are people in his ministry who are very unhappy with proceeding with it. Those people who are expressing their concerns have the best interests of the ministry and the north at heart. They are not being disloyal to you or the ministry, they are simply doing what they feel they must do and that is express their very real, legitimate concerns about the way you are proceeding with the forest management agreements.

Have you signed the latest Abitibi one yet?

Hon. Mr. Pope: I have not finalized any forest management agreements since I became minister.

Mr. Laughren: You have signed five, six?

Hon. Mr. Pope: I beg your pardon, I have not signed one since I became minister.

Mr. Laughren: None have been concluded?

Mr. Stokes: What do you do?

Hon. Mr. Pope: Well, if your party had sent someone up to Thunder Bay and Dorion, you would know.

Mr. Laughren: Some are signed.

Hon. Mr. Pope: Not by me.

Mr. Laughren: Oh, well.

Hon. Mr. Pope: Wait a minute, you are saying that they are very concerned about what I am doing.

Mr. Laughren: Yes. Is it not your intention to proceed with signing the FMAs in the spring?

Hon. Mr. Pope: Have you seen the FMA proposal?

Mr. Laughren: Why can you not answer a simple, straight question? Is it not your intention to sign the FMAs by the spring?

Hon. Mr. Pope: We will see.

Mr. Laughren: Perhaps you will tell us when you do intend to.

Hon. Mr. Pope: When we go through the processes that I have outlined on a number of occasions.

Mr. Laughren: So you are going to wait until the land-use planning process—

Hon. Mr. Pope: I did not say that.

Mr. Laughren: Now I am confused.

Mr. Chairman: Mr. Laughren, I would appreciate it if you would proceed with your statement, and Mr. Minister, I would appreciate if you would reply when your opportunity comes up.

Mr. Stokes: Those were just red Tories, right?

Mr. Laughren: Yes. I would hope that the minister replies and is more specific and stops playing his little game about whether or not he is going to sign the FMAs before the land-use planning process is completed.

That is a very straightforward question. I do not think there is anything untoward about asking it.

To pretend that public participation is real in such a case is downright dishonest. There are already serious doubts out there among the public that public participation will lead to change. If the ministry persists and proceeds to sign FMAs before the district land-use plans are completed, then the minister's declarations on public participation are hollow at best, if not downright deceitful.

The whole question of public participation is important. The ministry has always regarded itself as the source of all wisdom concerning the management of Ontario's resources. When Leo Bernier was the minister, he seemed to regard the public as a nuisance. James Auld, that eastern Ontario sphinx, occasionally issued soothing statements, but nothing really changed.

Mr. Stokes: His credo was, when in doubt mumble.

Mr. Laughren: Even when you are sure, mumble.

I fully understand this minister has a big job of convincing his senior staff that the rules of the game are changing. A good example is the failure of the ministry to present options to the public. The minister has failed to present options and alternatives.

Now the other night I made the mistake of interjecting while the minister was reading his opening statement and said that I did not think meaningful participation could occur unless there were options or alternatives put to the public who are taking part in the participation. The minister stated that there were indeed options and alternatives being put to the public.

I wish he would be more specific, because you know the public consists of well-informed people, not all of whom are single minded about their self-interest. We understand there are conflicting interests that must be resolved. We understand that compromises must be made. The ministry should make the public feel a part of that compromising process and really be a partner in the decisions that take place. These are terribly important decisions and there is a lot more assistance out there available to the minister than he seems to understand or wants to use.

I believe he has inherited a lot of problems within the ministry and that there never has been a really honest effort to include the public, to make sure the public actually made some decisions by its input. There is the feeling that: "Well, we will tell the public that this is what we intend to do and they can comment on it and then we will proceed. We may listen to some of it but, you know, this is what we are going to do, the public can comment on it and then we will shoot down the public's arguments as we see fit."

To be even more specific, I refer to your parks master planning process. A lot of people were aware of that process and supported it. Then suddenly the deputy minister decrees the process to be too ambitious, a luxury. What nonsense. The process was to be completed by 1983 and now there is no deadline. I call that an indefinite suspension, if not an outright cancellation of the process.

I hope the minister will respond to that. I shall deal with the overall parks issue later, but I did want to point out to the minister the kind of decisions that are costing him dearly.

You must not continue to speak with a forked tongue on the planning process. In order to have an honest public participation process, surely there must be options, access to information, real support by the minister to help people or groups obtain information, flexibility so that decisions can be changed, and an accounting to the public once decisions are final. Public participation must be treated seriously.

The rules on participation concerning the

FMA's was a joke. Open houses were held, but no serious documentation was provided beforehand to interested groups or individuals. No material was made available to be taken away from the open houses.

Finally, the biggest joke of all, written submissions had to be received by the ministry within less than 10 days; I think it was eight days. I believe the minister changed that because there were some complaints about it. That is not public participation; that is an insult to people who want a say in how their resources, our resources, are managed. They are our resources; they are not yours; they are not the forestry branch's resources or the pulp and paper companies' resources or anyone else's. They are ours.

I think of the Ogoki-Albany meetings. They were scrapped. As far as I know there has been no rescheduled dates for those meetings. I do not know why. Maybe the minister will tell us why.

I know it is difficult, but I have a funny feeling that the ministry still has not come to grips with the resolution of conflict out there. When there is a conflict between the public and the ministry, the ministry does not know how to handle it. I do not say that in a mean way. I really believe it is a legitimate problem the ministry is having, but cancelling meetings and not having serious public participation will never enable the ministry to resolve that public conflict.

11 a.m.

I think it was your predecessor who said that the public really did not care about planning. I want to tell you it is a self-fulfilling prophecy when you do not engage in meaningful public participation. The minister is absolutely right; if you continue the way you are going with public participation, the public would care. But we would always be angry and we would always feel cheated that we did not have more of a say in the planning process. The way you are going now really is a self-fulfilling prophecy.

I would like to turn specifically to the forest management agreements. The miserable history of forestry management in Ontario is replete with studies, promises, broken promises and more studies, and the thread running through that long history is an abysmal regeneration record.

The recent history is no different, despite the importance of forestry to the Ontario economy, to foreign exchange earnings and to jobs in both northern and southern Ontario. It has been estimated that in Ontario between 75,000 and

80,000 people are directly employed in 1,300 plants producing \$5.6 billion worth of goods, and 60 per cent of those jobs are in southern Ontario.

The government has knowingly allowed far more trees to be cut than have been replaced. The pulp and paper companies have been allowed to erode Ontario's competitive position by not reinvesting in capital equipment and pollution abatement processes. As a result, public subsidies have been paid to some large and profitable companies in order to encourage them to become competitive again.

Between 1973 and 1977 the 10 largest pulp and paper companies in Ontario paid \$358 million in dividends to shareholders and payments to parent companies and retained only \$310 million for reinvestment purposes. Between 1960 and 1979 the percentage of forest cut that was reforested never reached 50 per cent in any year. It was as low as 28 per cent in 1973-74 and even in 1979-80 it was only 36.6 per cent. Those statistics come from the Ministry of Natural Resources annual reports.

Not only that, but 64 per cent of the trees planted survived not more than five years, according to another Natural Resources report. "Yes," says the minister, "but now we have the FMA's falling into place. That will solve the problem." This time it is going to be the FMA's that are going to be the salvation of our forests. If only the record were not so dismal, we truly would like to believe him.

We had promises following the 1947 Ontario Royal Commission on Forestry. We had promises in 1954 as a result of the government white paper on Suggestions for a Program of Renewable Resources Development, and of course we had the Brampton charter promise of Premier Davis to regenerate every acre cut. Lots of promises and all of them broken. It is truly a long history of alarm bells, followed by broken promises.

In predictable cycles, the political heat has arrived again and the government must act. Their solution: outright grants with very few strings and the signing of forest management agreements with the large pulp and paper companies.

To date the large companies have received about \$100 million from Ontario and \$50 million from the federal government, despite the now famous study by the economic and forestry faculties of Lakehead University for the Royal Commission on the Northern Environment. In a study referred to by the member for Victoria-

Haliburton (Mr. Eakins), it stated in June 1980: "The significant margin between operating costs and projected prices for newsprint, together with the favourable rate of return analysis on new capacity, strongly suggests that this sector is capable of undertaking modernization in northern Ontario on a profitable basis without the support of taxpayers in the form of the recent modernization grants offered jointly by the provincial and federal governments."

Mr. Haggerty: That program will cost the employees at Ontario Paper in Thorold 340 jobs which will be lost. That is just one example.

Mr. Laughren: I will talk about the jobs a little later on; it is an important issue. Anyway, that is crisis management for you. This government had no idea whether or not those grants were necessary. The government must indeed have viewed the situation as one of crisis in order to have given away so much with so little guaranteed return.

Let me now turn to the FMAs specifically. I believe that five or six have been signed and it is anticipated that the balance will be signed within the next six months if the minister gets his way. I am very pleased to see the minister shaking his head because perhaps he is listening a little more to people out there who are concerned about the signing of those FMAs.

The New Democrats understand the need for reform of the agreements between the Ministry of Natural Resources and the pulp and paper companies. We do not like what we see. In our view, sustained yield, environmental protection and exclusions for parks reserves should be essential components of any forest management agreement. We can detect no requirement that the companies be financially responsible for any environmental damage. There is no environmental assessment or approval by the Ministry of the Environment for either the FMAs or any project undertaken by the companies signing FMAs.

We cannot see where the lumber companies are required to respect the rights of others who use our lakes or lakeshores for either commercial or recreational purposes. There is no regeneration requirement in the FMAs, no absolute guarantees. Surely the allowable amount cut should be directly related to the regeneration performance of the company. How else can a principle of sustained yield be anything else but meaningless rhetoric? As an example, in the Abitibi agreement I believe that the protection forests will be cut. I do not know how you regenerate those protection forests. Maybe the minister could comment on that.

My colleague the member for Lake Nipigon (Mr. Stokes) has already proposed to the minister that a clause be included in all FMAs which would require affirmative action programs for native people. That is an excellent suggestion and one to which I hope the minister will respond when he replies to these remarks.

When I look at the FMAs here in Ontario and compare them with those signed in Alberta, my dismay increases. In Alberta roughly 25 per cent of any area under agreement is reserved from timber operations. In Ontario, according to the minister, five per cent of the annual allowable cut can be withdrawn over the 20-year period of the agreement. I have already asked the minister how much money the FMAs will cost the Ontario public. I am worried that if, because of budget restraints, the government does not come up with adequate money to feed the FMAs, as it were, the companies will not have to carry out their end of the bargain and will simply say, "We were prepared to do it, but the Ministry of Natural Resources, because of budget cuts, did not provide us with adequate feedstock," and so forth.

I would like to turn now to our parks. The question of park reserves has enormous long-run implications. I really am concerned about the minister's decision to abandon the established parks master planning exercise. He might argue, I suppose, that the master planning process has not been abandoned, but I can tell him that the feeling of his own ministry is that is exactly what has happened. The minister's predecessor, James Auld, made a commitment about a year ago that the master planning process would be completed by the end of 1983. I know all about the reality of March 19, but renegeing on a firm commitment is simply unfair.

I am referring, of course, to a memo written by your deputy to his assistant deputy minister, dated August 12 of this year, in which he said: "I think we are most ill-advised to continue what I regard as an ambitious master planning program. For this reason, I would like to discuss with each of you at our next executive management committee meeting the whole question of parks master planning with a view to stopping all master planning on the present scale and putting our activities more realistically to the environment around us." That was from Mr. Foster.

Hon. Mr. Pope: That was written at my direction.

Mr. Laughren: I have no doubt.

Hon. Mr. Pope: That is exactly right, so stop making him the fall guy. You did once before in your remarks.

Mr. Laughren: Who is making him the fall guy?

Hon. Mr. Pope: You. You have referred to him twice in terms of the planning process, and I am telling you that his memos reflect decisions which he and I discussed.

Mr. Laughren: I have never doubted that.

Mr. Stokes: You are on the same wave length. Why do you object?

Hon. Mr. Pope: I object to his being held up in the media as the one who is responsible.

Mr. Stokes: One would hope that both of you reflect the policies of your ministry. Do not get uptight about that.

11:10 a.m.

Mr. Laughren: I would never try to drive a wedge between you and your deputy. That would be very unfair. But surely it is appropriate to quote a letter from someone at the deputy minister level concerning—

Hon. Mr. Pope: Yes, and say it is ministry policy.

Mr. Laughren: It certainly is. I assume that if the deputy minister expresses views that are not ministry policy, he will no longer be the deputy minister, at least not for very long. I have no doubts whatsoever that you concur with what is expressed by your deputy. Then there is the whole question, which is even more fundamental, of the public participation question, of when the public has a say in the planning of our parks. I was reading — I am almost afraid to say whose memo this is, but it is the second in command in the ministry who has done some work —

Mr. Haggerty: That is the parliamentary assistant.

Mr. Laughren: I never thought of that. I had better correct the record. I must say it is the deputy minister. I guess he is really third in command. Anyway, they are talking about the allocation decision process, northwestern and northeastern planning regions. The amount of internal assessment within the ministry on parks planning is really deplorable.

They use phrases like: "Step one, district planning may continue up to, but not including, the public involvement stage of phase two. Step two, compile for internal use optional draft on northern Ontario parks system proposal for wilderness, waterway and natural environment parks from individual regional systems propos-

al." Going down to step four, I see "undertake an in-house economic-social impact evaluation of candidate options. Step five, provide candidate wilderness waterway natural parks system options and associated economic social impact evaluation to the minister with recommendation that proposal go to cabinet. Cabinet will be asked to provide direction as to what proposals MNR could take to the public and in what form." Do you call that putting options before the public?

You do say in step six, "review proposed options with key client groups regarding this development and the proposed approvals process," after the cabinet has decided which options you are allowed to go to them with. Finally, the minister may wish to refer regional options to parks council, Ontario Forest Industries Association, et cetera, for review prior to going to cabinet. To be fair, I have not read everything in it.

Then there is an appendix attached to it which says: "Guidelines for the in-house review of candidate park options: (b) Flexibility for alternative park allocations is available within a site unit and several candidates are to be put forward. However, if flexibility is limited, one or no options may be shown, accompanied by supporting rationale for that recommendation." Do you call that putting alternatives before the people?

"(c) Large areas of high and medium mineral potential, site class one and two forest land, and rivers with significant hydro potential should be generally excluded from the types of park allocation proposals which would prohibit future resource development. In those areas with high resource potential but where the recreation or cultural scientific tourism values are exceptional, economic impact analysis of the park proposal should be undertaken and recommendations as to its continuing inclusion as the candidate park be made to senior management."

Running through the ministry planning process envisaged by the ministry is this in-house mentality that MNR knows best, that all wisdom lies within the Ministry of Natural Resources. The behaviour of the minister himself is fascinating as he stick handles around the tourist operators, the conservationists, the pulp and paper industry, the native people and some of his own senior officials. The tourist operators and even the Minister of Industry and Tourism are very concerned about the ministry's preoccupation with the maximum timber harvest.

The Ministry of Industry and Tourism has

done some rough calculations and compared timber dollars versus tourism dollars simply to show the common sense of leaving a 600-foot buffer zone on a lake with a tourist camp of nine-person capacity. The reason that this was done, I think, was that the Ministry of Industry and Tourism is getting nervous about the reaction of the tourist operators in northern Ontario about what is going to happen to their business.

The document I have is headed *Timber Dollars Versus Tourism Dollars*. It says, "A 600-foot buffer zone would equal 1,062 acres of forest, averaging 18 cords of wood per acre, for a total of 19,116 cords of wood. Average value per cord delivered to mill is \$100. Total value of wood in the buffer zone equals 19,116 by 100, which equals \$1,911,600." That is the value of the wood if that buffer zone was cut.

Then, compared to that, is the gross revenue of an outpost camp with a nine-person capacity, which is not a large tourist operator establishment and not an unreasonable example to use. I am sure there could have been even more dramatic examples used. It showed a gross revenue at that outpost camp at \$40,000 a year in 1980. If you multiply that by 20 years, 20 years being the length of time of the forest management agreement, that comes to \$800,000. If you plug in a 10 per cent rate of interest, it comes to \$2.3 million. If you use 45 years, which is the projected regrowth rate of jackpine and black spruce under optimum conditions, if you consider the tourist revenue for the 45 years, it comes to \$1.8 million and with interest to \$28,750,000. The same calculation is done for 90 years.

The point is that in cutting the trees, you cut them and then they are gone, but the tourists come back every year so that there is sustaining revenue in the area. In cutting that timber, it could be 80 years before you could cut trees again in that area. So the Ministry of Industry and Tourism, quite rightly so, is ringing an alarm bell. I have not been at a cabinet meeting for a long time, but I would not be surprised if the Minister of Industry and Tourism has not been leaning on this minister to—

Mr. Eakins: I guess Larry Grossman is more interested in the industry than the tourism side.

Mr. Laughren: I would not be surprised if the Minister of Industry and Tourism has been expressing his views about what to do around the lakes, particularly when there are tourist outposts involved. I would like to have the minister's views on clear-cutting to lakes and

rivers, more so than to roads, but mainly on the lakes and rivers.

Earlier this year Mr. George Priddle, who was then chairman of the Ontario Parks Council, expressed his views in no uncertain terms. The parks council feels betrayed, and I do not blame them. There are ominous signs. While the budget of the parks division of this ministry has not been slashed, it has not maintained its proportion of the ministry budget.

I sense that there are a couple of reasons why we all should be worried about our parks. The internal parks lobby is losing clout within the ministry, primarily because it is not getting support from the top. The second reason is that because of the gross mismanagement of our forests, there is a perceived need to cut timber in areas that really should be park reserves.

I would draw the minister's attention to the Lady Evelyn-Smoothwater proposed park area which was designated as a candidate park, I believe in the mid-1970s, but since then a volume agreement has been signed in that area. I wonder if the minister could comment on that when he responds. It is a sad commentary when those responsible for the lack of regeneration are able to cover up their negligence by assigning park reserves for lumbering purposes.

There is an old cliché about two wrongs not making a right, and that is certainly true in this case. Outside the ministry, of course, there are automatic lobbies in the forest industry and they have a lot of clout. Advisory organizations, such as the Ontario Parks Council, do excellent work, but they do not have the ears of the senior ministry staff in the way that the forest industry does.

I would not be so suspicious of the industry lobby if I thought they had northern Ontario's best interests at heart. But I do not hear the Ontario Forest Industries Association calling for diversification of the northern Ontario economy. I do not hear them demanding a pulp and paper machinery manufacturing complex in the north. I do not see them leading the charge to further refine wood products. I have not heard them demanding an end to one-industry towns in the north. When I hear the OFIA calling for adequate parkland reserves and some of those other things I have mentioned, then I shall listen more carefully to their pleas for more timber.

11:20 a.m.

I would like to turn now to the mining sector. It is the only sector of the Ontario economy that has been as badly managed as our forests. I do

not believe that it is a coincidence that both badly managed sectors are in northern Ontario and that both are natural resources. The difference between them is that the trees are renewable but the minerals are not.

It is sometimes difficult to appreciate just how rich we are in resource wealth in this province. We do know that Canada is number three in the world in the production of minerals and Ontario is number one in Canada. We know Canada is number one in the world in per capita mineral output. We also know that "Canada has done far less than other nations to ensure that resource developments resulted in the maximum possible contribution to our total industrial strength and the diversification of our economy."

In case the minister takes umbrage with it, that quote comes from Larry Grossman, Minister of Industry and Tourism. I will further quote from Mr. Grossman: "During the mining boom of the 1950s, for example"—

Mr. Haggerty: It sounds like he is the next leader.

Mr. Laughren:—"firms in Canada placed orders for hundreds of millions of dollars' worth of mining equipment with companies in Sweden, Germany and the USA. These orders effectively underwrote the research and development work that has made their manufacturing industries internationally dominant. In short, we helped to create the industrial strength within those nations which now rank amongst our major international competitors." That is an appropriate quote from someone who continues to play a role in making sure that things do not change—Larry Grossman.

Our minerals could have been, and still could be, used to create balanced economic growth in Ontario by key sectors, such as machinery, and by geographic regions as well. That has not happened and it never will as long as the Ontario government relies on private sector development of our minerals. We have absolutely no control over either the nature or the pace of any development that does take place. We have never maximized our potential return from mineral development.

A simple comparison would be useful. With less than 30 per cent of Ontario's mineral production, Saskatchewan realized 150 per cent of the revenues that we did between 1975 and 1979. To be specific, quoting revenue as a percentage of the value of production, between 1975 and 1979 in Ontario we realized 2.98 per cent of the value of production as provincial

revenues, while Saskatchewan realized 16.53 per cent, almost six times the proportional revenues. That is a sad commentary on the management of our mineral resources.

I mentioned regional development in northern Ontario where most of our mineral wealth is located. There are three glaring structural weaknesses in the north. One is an overdependence on primary resource extraction. Two is a lack of secondary manufacturing industries. Three is a proliferation of single-industry communities. There are obvious health, education and social service inadequacies as well. It is not possible to separate the structural weaknesses from the lack of services available to people in the north.

This government established a committee of cabinet to look into the problem of one-industry towns. That committee never met, never did a single thing. But it was convenient for the Premier in one of his more hypocritical moves to announce the creation of such a committee. I recall very well that the heat was on layoffs in northern Ontario, and the Premier stood up and announced that there was going to be a committee of cabinet to look into the problems of one-industry towns. There have never been any minutes of those meetings. Nobody has ever come out with a policy. Nobody recalls who met at the meetings. Absolutely nothing. One can only assume that the committee never met. Anybody who says it did should be required to show documentation of what came out of that committee. It really was a hypocritical move on the part of the Premier.

I have noticed in my 10 years as a member that although the Premier answers most questions with at least a splattering of awareness, he invariably stumbles badly on questions about northern Ontario. He does not understand the north or its particular problems. He underscored that fact himself when he appointed that one-man wrecking crew, Leo Bernier, as Minister of Northern Affairs.

Interjections.

Mr. Laughren: I am being gentle. A member of this Legislature once described Leo Bernier as "a wounded moose, stumbling across northern Ontario in a snow storm." I would tell you who said that, but modesty forbids.

Mr. Brandt: That is an unfair description of a fine gentleman who has done a great deal for the north.

Mr. Eakins: The hero of Hudson.

Mr. Laughren: The hero of Hudson and Elliot Lake, and that is a more serious matter.

The Ministry of Northern Affairs is the laughingstock of this government. Officials of MNR and Transportation and Communications particularly wince at the very mention of the Ministry of Northern Affairs or its minister. Northern Affairs is supposed to play a co-ordinating role among various ministries. In fact, it is a boondoggling fraud that screws up more projects, infuriates other ministries with its bureaucracy and incompetence, and sits indifferently on the sidelines as the world goes by.

There is a role for Northern Affairs, but sadly nothing is happening with this one. In the absence of a good Ministry of Northern Affairs, it is left for this ministry to take responsibility for what Northern Affairs should be doing.

When a town in Nickel Belt, the riding I represent, was shut down and bulldozed to the ground, the Northern Affairs staff sat in on the demolition plans and did not intervene on behalf of anyone. When I wrote to this minister and to the Minister of Northern Affairs, this minister replied on behalf of the Minister of Northern Affairs.

One would have thought that the Ministry of Northern Affairs would have expressed some concern and would have gone into that rural community of Kormak to see what could have been done. Its failure to do so was absolutely despicable. And now virtually the same thing is being done in another small community called Island Lake. The same company is involved. I asked the minister in the Legislature to check into the possibility that a merger was being used to disguise the transfer of timber limits. I believe that to be the case and I stand by what I said.

I had a phone call in the last day or so from a resident who received 30-day eviction notice. I told the family, "Ignore that stupid eviction notice and stay where you are." Now they have received a court order to appear in court to show why they should not be evicted.

Mr. Stokes: From whom?

Mr. Laughren: From the trailer in Island Lake, the town that is being closed down. The owner of the trailer is the lumber company that is part of the merger.

I hope that family continues to ignore those eviction notices because I want to be there when they move in.

Hon. Mr. Pope: Is that the Fitzgeralds?

Mr. Laughren: The Fitzgeralds, that's right. I want to be there when they take action. I have encouraged those people not to move out. If that is civil disobedience, I support it because it is not right for them to be able to do that to those families.

Mr. Stokes: What kind of land tenure do they have?

Hon. Mr. Pope: They are tenants.

Mr. Stokes: Is that a licence of occupation or a land-use licence?

Hon. Mr. Pope: A licence of occupation. We can get into that case, if you want, in my reply. I have done some research on that.

Mr. Laughren: I would like to get into it because I am still furious about what happened.

The Ministry of Northern Affairs was part of the whole process of planning this. I do not believe that Natural Resources sat in on the meetings; I am not sure of that. Natural Resources did not do much to intervene on behalf of the people either.

I am being hard on Northern Affairs, but appropriately so. I and the people of northern Ontario have always felt that Northern Affairs is there. They are not on on-line ministry, or whatever language is used; they are a co-ordinating ministry. It was an ideal opportunity for them to show that there is some reason for their existence as a ministry.

I know of small communities where residents shudder when the Ministry of Northern Affairs officer comes to town. They phone me to see if I know what service he is going to take away, or if something is going to be shut down.

This ministry does its bit, too, by closing district offices in small communities, such as Sultan and Foleyet, to name just two. The minister signals a lack of confidence in the future of those communities. As a rule, the ministry is the principal employer in the town. When you do that that you are saying to the town, "We're getting out before everybody else does."

11:30 a.m.

This ministry, as the custodian of our minerals, has an obligation to engage in some meaningful long-range plans. It is significant that the minister is establishing such plans for land use, but not for small mining communities or the people who live in them. This ministry has an obligation to plan ahead when it is known that mineral reserves will be exhausted in 10, 20 or 30 years. Alternative plans for the town must be discussed and put into place, or alternative employment, retraining and relocation assis-

tance should be made available to the workers and their families. Basically, that is why I have encouraged these people not to leave, despite the eviction notice.

Atikokan is a good example of lack of planning. When Caland and Steep Rock Iron Mines closed in 1979-80, I believe over 1,000 people had to move. This government knew the mine was going to close and made no plans.

We have argued consistently for years that we need to process much more of our minerals in Ontario. We have argued, as well, that as a government we would bring the resources into the public sector and do just that.

As a member from the Sudbury area, I have always shaken my head in amazement at the logic of this government when it comes to section 113 of the Ontario Mining Act. That section requires Ontario ores to be processed in Canada. That sounds logical and indeed it is. The problem, however, is that the minister grants exemptions to section 113. At last count, there were 23 such exemptions, plus a new one granted about six weeks ago to Silverfields Mine, a subsidiary of Teck Corporation.

I can understand why there could be legitimate exemptions, although I would encourage the sharing of refining facilities when it is inappropriate to build an entire refining complex to process a small amount of ore. I do not understand, however, why it is appropriate to allow Inco to process almost 30 per cent of its nickel elsewhere. I believe Inco has four such exemptions. Only about 65 per cent of our nickel, 40 per cent of our zinc and none of our platinum group metals are refined here in Canada. We hear rumours of a precious metal refinery in the Sudbury basin, but nothing definite. Perhaps the minister could comment on that.

The most glaring example of a questionable exemption is the one enjoyed by Falconbridge, that subsidiary of huge Superior Oil of Houston. For almost 50 years Falconbridge has been sending its ores to Norway for refining. The fault lies not with Falconbridge but with this ministry. We all know Falconbridge will run its operations in such a fashion as to maximize its profits. It is up to this ministry to maximize the return to the people of Ontario.

There was an opening of a new Falconbridge mine, the Fraser mine, not too long ago. I went to the opening. It was a beautiful Sunday afternoon.

Hon. Mr. Pope: I did not get there. You were the representative we had there.

Mr. Laughren: No, I did not represent you at that.

Hon. Mr. Pope: You were supposed to. Interjections.

Mr. Barlow: You got paid for that.

Mr. Laughren: The minister represents closings. I represent openings.

What I did was to speak at an opening of a hiking trail in a beautiful provincial park called Halfway, just north of Sudbury on Highway 144 going towards Timmins. You have some excellent people there in the field who know what they are doing with our parks. They have excellent knowledge of the natural environment in the parks. It was a very pleasant day and a very nice weekend. I stayed and camped overnight with my children.

Back to the problems.

Mr. Brandt: I hope your children enjoyed their camping trip.

Mr. Laughren: Yes, they did very much.

Mr. Brandt: I am pleased to hear that. We have excellent camps in Ontario.

Mr. Stokes: What about the Fraser mine?

Mr. Laughren: This was a new shaft being sunk by Falconbridge to get nickel out, and there was a big ceremony. They had an open tent set up so that the Pooh-Bahs could make speeches. I cannot remember who was there from the ministry.

Hon. Mr. Pope: You represented me.

Mr. Laughren: No, I did not, as a matter of fact. I was not even asked to sit on the platform. I am just a local member, you know.

Hon. Mr. Pope: I was not asked either, by the way.

Mr. Laughren: Anyway, they had all the Pooh-Bahs up on the platform, but down in the audience are sitting Howard Keck, Senior, and Howard Keck, Junior, who are the people in Superior Oil who through a process control Falconbridge Nickel Mines. I bumped into Howard Keck, Junior, and I said to him, "How long are you staying?" "Staying? We left Houston in our jet this morning and we are flying back this afternoon." There is this small, struggling entrepreneurial enterprise called Falconbridge that cannot afford to build a refinery and process its ore further in this country. They did make an attempt in the past and it failed.

The exemptions to section 113 are bad enough, but this government has gone one better. Mining companies now can deduct from

their mining profit taxes in Ontario their foreign processing costs. Not only do we encourage foreign processing, we pay for it. It really is remarkable and I really hope the minister will respond to that because I know the line. Do you know what the line is they use? They say that to maintain a stable employment situation in the Sudbury basin they grant these exemptions. We have had not a stable employment picture in Sudbury for 50 years, but that is what the exemptions are for. The Falconbridge exemption gives them permission to refine in Norway. It goes on and on. It is simply not right. At any given point they can argue to you that it is not appropriate for us to do it now. They can be making that argument successfully for 50 years and it is still not being done.

When the different components of the resources equation are put together, the indictment of this government is a powerful one indeed. This government by indifferent stewardship—negligence actually—has allowed the following to happen:

1. Our forests have not been managed on a sustained year basis. The number of trained foresters in Ontario is inadequate and well below other jurisdictions. So the prime concern of the government is hollow.

2. In a desperate move to supply wood fibre, FMAs are being signed in haste and, as a result, the strategic land-use planning process is in jeopardy, including park reserves.

3. We get a pitiful return for our mineral resources compared to other jurisdictions.

4. We do not process enough of our minerals here.

5. We have no plans for resource-based towns when the resource runs out.

6. We do not manufacture our resource machinery here and imports have been climbing steadily;

7. One of the most valuable resources, our lakes and rivers, is threatened by pollution from our resource industries.

All in all, it is not a story in which to take pride. Ontario Business, which is hardly a publication of the left, said recently: "Canadian trading patterns are more in line with those of developing nations in terms of increasing emphasis on crude mineral sales abroad." Ontario Business is obviously concerned and has examined the trading patterns of other countries because the article goes on to say the developing nations "are embarking on assertive policies of reducing the crude mineral component in their total export package."

I did not do the research this year, but a couple of years ago I was doing some research into how we measure how developed a country is. One of the measurements is the degree of manufactured goods in your export package, all of which you export. Canada was being overtaken by countries like Greece and Korea as a country that exports a significant proportion of its total export package as manufactured goods. We are very bad in that regard.

As most people know, the Ontario NDP believes that our resources belong in the public sector and we know that an ever-increasing number of people support us on this issue. As a matter of fact, the Ontario Mining Association did a survey—ah, so good to see it—which showed that more than half the people believe there should be public sector involvement in the resource sector. Obviously, this government and this minister do too. This is the first year I have been able to take part in Natural Resources estimates where I felt I had a fellow traveller on the government side; namely, that he felt the public sector must be involved in resource development.

Mr. Stokes: Whether it is an indigenous resource or not.

Mr. Laughren: Yes. One wonders why, with our indigenous resources, nickel was not brought into the public sector. Nevertheless, you do not look too far askance when a nonrenewable energy resource, like oil, is brought into the public sector.

Mr. Brandt: It is known as a selective intervention.

Mr. Laughren: Selective. Yes, that is what I believe in too.

Mr. Brandt: Not total intervention, as some would suggest, but very selective intervention.

Mr. Laughren: I suppose some would suggest that.

Mr. Kerrio: We put the money up, \$300 million, for a uranium mine and we did not become partners.

Interjection.

Mr. Laughren: Nevertheless, these resources pay a pretty good return over a period of time and it is not as though you are buying something that is forever a drain. It is an investment. Think of the investment we could have had in our nickel over the years. Unlike my friend Mr. Stokes here, I would not suggest we call it the people's international nickel company or Pinco for short. I would not do that, but I know some would.

We believe that our resource policy is the correct one for a number of reasons, especially in the nonrenewable mining sector. The private sector has had ample time to show concern for balanced economic growth, industrial diversification and stable communities. We believe that only if the resources are in the public sector can we achieve our goals.

Crown corporations could encourage resource machinery companies, further process our minerals, play an active role in community development and, most important, be a model of occupational health and safety. It is not utopian surely to believe that workers could be partners in the operation of enterprises. It is utopian, however, to think that the private sector will of its own volition have goals that coincide with those of the public at large. The issue of Falconbridge processing and Inco emissions are but two examples of this.

Those resources are our heritage. They are ours and we should do with them as we want. While they are our heritage, they also represent a big chunk of our future. We want to make that future secure for as many Ontario citizens as possible.

Speaking of Ontario citizens, I would like to speak for a few moments about our first citizens. Ontario's native people have a series of complaints. I believe it is time they were resolved. The Royal Commission on the Northern Environment, the wild rice moratorium, hunting and fishing rights and the headlands issue must be dealt with, and this ministry is central to each one of them.

The Royal Commission on the Northern Environment, while not concerned solely with native peoples issues, was created because of problems raised by them and around them. Under Justice Patrick Hartt, there was some hope that with perseverance, vision and courage, some of the concerns would be addressed. Under Mr. Fahlgren, no one has any illusions remaining that the commission is doing anything, except spending money, and it is going nowhere.

Either the commission should be abandoned, which I would hate to see personally, or new life must be injected into it. I shall move a motion at the appropriate time in this committee to have Mr. Fahlgren appear before this committee during these estimates. I am sure I am not the only member who would like to ask some questions of Mr. Fahlgren directly. I do not anticipate any resistance from other members

of the committee, at least I hope there will not be, because I think it is important that some questions be asked of Mr. Fahlgren. It would clear the air on the problems of the Royal Commission on the Northern Environment, and all of us in the north are very concerned about what is not happening there.

Many of us were becoming increasingly frustrated with the inaction of the commission and it finally became clear on October 29 that our frustrations were justified. On that day, Millie Barrett, a senior information officer with the commission, issued a public statement. I believe that statement in its entirety, should be read to this committee. I hope the members who will be voting on the motion will think about it seriously. It is by M. E. Barrett.

"The public statement issued by the commissioner on October 27, 1981, is a clear indication of his and his senior advisers' misconception of the real role and task of the commission. It is a distortion, whether deliberate or intentional, of the mandate under which the commission was created. The mandate of the commission was twofold: one, to discover the effects of major development projects on the environment and the people of northern Ontario; and, two, to find a means whereby the people of northern Ontario could gain an effective measure of participation, control and economic and social benefit from whatever development does take place.

"Inquiry into the effects of development of whatever kind on the land and the people was undertaken and largely accomplished in the first phase of the work of the commission under Justice Hartt. Justice Hartt's issued report clearly states the issues, the problems, the environmental, economic and social concerns that require addressing.

"The second and most urgent task of the commission, that of equitable sharing of the decision-making process by the people of the north, was left to be addressed by the commission under Mr. Fahlgren. An active and ongoing public forum on this urgent question should have been a major thrust of the commission's activities over the past three years. It has not been. In fact, every attempt to bring about a public discussion has been thwarted, avoided and postponed at every turn.

"The reasons for this, I believe, have more to do with bureaucratic paranoia, plain fear of face-to-face contact with ordinary citizens, contempt for the practical common sense and real knowledge of ordinary people than it has to do

with any dedication to the mandate of the commission. This distaste for public participation on the part of the senior advisers to Mr. Fahlgren led them to a strategy of concentration and documentation.

"Research became the sacred cow of the commission; research became the means and the rationalization for refusing to go public. Very large sums of money have been expended on research projects of every conceivable kind, not all of which can be seen to be of much relevance to the primary and original goals of the commission. Examples of this devious use of time and money abound. Some can be seen as potentially useful; some have been ludicrous.

"The funding of research projects for and by the native people could probably be seen as the most justifiable and useful. These projects, however, need not necessarily be hostage to the life of the commission and they should not be used as an excuse for delaying the process of public discussion. The native people have made it abundantly clear that they are ready and eager to take part in public discussion now, especially and particularly with their fellow northerners.

"The persons within the commission, those who have been given responsibility for public programs, have urged the necessity for immediate initiation of public discussions repeatedly over the past two years. Their pleas were consistently fobbed off with excuses about research delays, the need for more documentation, the dangers of premature public activities and so forth.

"Meanwhile, matters of real public concern in the north have been ignored and neglected. There is no research on acid rain, on nuclear waste disposal, on the air and water pollution due to industrial development. The commission has no position and no serious analysis on even such urgently important matters as strategic land-use plans by the Ministry of Natural Resources.

"Research in the Detour Lake mining development, or rather the impact of the road being built to the development, begun two years ago, is still not completed, although the Minister of the Environment has long since made the Environmental Assessment Act standards requirements for this project and the project proceeds apace.

"The commission has made no representation to the Minister of the Environment on any development projects in relation to the Environmental Assessment Act. Meanwhile, development is occurring. Forest industry, mining,

gas pipeline projects are under way. Roads are being built and important new possibilities for new industries, such as the energy potential of peat moss, are being discussed in meetings and symposia across the province. The commission takes no part in these activities and, in fact, seems to be unaware of them or indifferent to them.

"Development proceeds. This is not in itself a bad thing, or need not be, but it proceeds as it always has in the past, unplanned, uncoordinated, spontaneous, without regard to and in no relationship to the economic and/or social needs or concerns of the people most profoundly affected thereby, with no possibility for these people to either participate or control or benefit in any fundamental way. They do not even have any means of commenting on these matters.

The commission submerges itself ever deeper in research documentation, inter-office memos, long internal meetings on policy orientation, guidelines, terms of reference and other euphemisms for bureaucratic control of a public commission.

"As of the date of writing, October 28, 1981, the person who tried to bring about some semblance of public discussion has been fired. It seems obvious that some definitive action must be taken to ensure that the commission fulfils its proper mandate without further delay and that some other appropriate vehicle will be found to carry out the original intent of the provincial administration in setting up the commission.

"Respectfully submitted, Mildred E. Barrett."

That is an example of the kind of frustration that is in place in the north.

Mr. Stokes: The world is passing us by.

Mr. Laughren: That is an honest, forthright and courageous statement, and I know her sentiments are shared by others formerly employed by and still employed by the commission. Many of the issues raised in that statement have a great deal to do with this ministry and, in particular, with the strategic land-use planning process.

I invite you to consider again the mandate of the commission. How does that mandate differ from the goals of the strategic land use planning process? Obviously, this ministry and the commission should be working together. I would like to know from the minister just what mechanism has been put in place to encourage research-sharing, to attain input from each other and to consult.

11:50 a.m.

I believe there have been several commission reports completed but not made public. Where are the reports on mining and machinery done by Professor Segsworth of Laurentian University? Where is the report done on mining and forestry but never made public? What is being hidden is a sad joke of a very expensive commission doing research in critical areas while this ministry attempts to formulate policy concerning those same areas.

Mr. Stokes: Even Detour Lake.

Mr. Laughren: Even Detour Lake. What about the peat symposium held recently in Thunder Bay? Was the Royal Commission on the Northern Environment consulted or invited? Did they make a presentation? What about some of the issues raised by Millie Barrett: acid rain, nuclear waste disposal, the FMAs, SLUP in general, mining development, the Lady Evelyn-Smoothwater issue, the Environmental Assessment Act, gas line projects, wild rice harvesting and so forth? We really must invite Mr. Fahlgren in to appear before this committee.

I would like to talk for a moment about wild rice harvesting.

Mr. Stokes: The ROM would take delivery of the Beardmore relics.

Mr. Laughren: Good. It does have its role in Ontario. As the minister knows, Indian people claim 100 per cent ownership of Ontario wild rice. In an attempt to resolve this issue, a moratorium was placed on the granting of new commercial wild rice harvesting licences. That was three and a half years ago and it appears that little or no progress has been made.

In a remarkable letter, dated July 16, 1981, the minister refused an extension of the moratorium, implying that Treaty Three had not engaged in meaningful negotiations. Surely the moratorium should be extended. You have not dealt fairly for a number of reasons. One, since the moratorium there have been very poor wild rice harvests. In 1978-79 it was poor; in 1980, I gather, it was good, and in 1981 it was fair to poor. In 1978, when Premier Davis granted the moratorium, he agreed to assist in the development of an Indian-based wild rice industry. This has not been done in a serious way.

Three, the Ministry of Northern Affairs has initiated a five-year research study on wild rice through Dr. Peter Lee at Lakehead University. Surely that study should be completed before the moratorium ends. I believe that a little over a year ago, 1980, a meeting was held by three bands from the Kenora area, Rat Portage,

Washagamis and Dalles. Their chiefs and councillors asked the northern officials of the Ministry of Natural Resources for specific material assistance. I have heard the minister say that he has not been asked for anything specific by the bands, and this is simply not the case. Natural Resources was asked for harvesters and for seeding rice. They were told that the harvesters were available for demonstration purposes only and that no seed rice was available either.

What did the Premier mean when he said he agreed to assist in the development of Indian-based wild rice industries when he turns them down at every turn? You can imagine how they feel when they see the grants to the big companies and they go for a small amount of assistance to develop an industry and are turned down. I believe there was a meeting on October 3 of this year in the northwest. Governor General Schreyer was there, but no provincial people were there at all though they were invited.

I do not mean always to refer to Saskatchewan, but 10 years ago there was no wild rice industry in Saskatchewan. Last year 300,000 pounds were harvested and I believe they are projecting 500,000 in the next couple of years through a federal-provincial plan to do just that. I do not believe it is happening properly in Ontario.

We know when Dr. Peter Lee was commissioned to do that research study, there was no consultation with Indian people on that; after the fact there was, but not prior to his appointment. This minister has already caused strains in relationships with our native people. He granted a commercial licence to Lanark Wild Rice Company this year. The licence was granted without consultation with the native people. The minister can argue that he only grants licences where the wild rice would not otherwise be harvested, I have heard him say that. If that is so, why did he not go in good faith to Treaty Three who have been central to this whole moratorium question, or any other Indian organization, and negotiate an agreement?

Treaty Three has asked for increased enforcement of wild rice poaching laws, assistance to develop a native wild rice industry and for better regulation of water levels that affect wild rice harvests. I hope the minister is prepared to show some flexibility in each of these problems, plus extension of the moratorium. I would also like to hear from the minister about what is happening with the tripartite council. When did you last meet with the council? They have been

desperate for a meeting this year. I believe its mandate expires next September. I do not believe anybody has met with them for over a year unless it is very recent. I would like the comment of the minister on that.

The Indian Commissioner of Ontario, Mr. Hartt, has requested that the hunting and fishing working group be suspended. I would like to be brought up to date on that. As a matter of fact, I believe that Treaty Three went so far as to suggest that the Indian commission be abolished unless some progress is made on some key issues. There are things happening out there in the minister's own area. I believe it was the Cheechoo case concerning trapping, where the lower courts said that the province had no right to regulate native people trapping. There was the bullfrogs issue on which the Ontario Supreme Court said that the native people, the Indians, could hunt for bullfrogs.

I want to tell the minister, and I do not mean to be inflammatory or anything, that unless some of these issues are resolved, you are going to have more Moraviantown issues next spring. It is serious, and if the minister is serious about avoiding incidents, he better do some serious talking with the native people.

This would be an appropriate forum for the minister to give his views on the headland issue as well. As I understand it, Treaty Three wants the waters between jutting peninsulas to be Indian waters. According to Treaty Three, an agreement was signed with the Ontario and federal governments which granted those headland waters between reserves to those reserves. Then in 1915, Ontario, acting alone, passed a law repealing that agreement. How does the minister justify that and why has he even refused to negotiate on that issue?

Finally, I would like to put my money where my mouth is, as it were. At our last provincial convention in 1980, my party passed a resolution which expresses clearly our commitment to our native people. I believe that policy resolution is worth repeating. I will just read the be it resolved part. Mr. Chairman, I have about five minutes. Shall I finish or do you want to adjourn?

Mr. Chairman: Yes.

Mr. Laughren: "Be it resolved that the Ontario government should recognize and respect the Indians' aboriginal and treaty rights. These rights include, but are not limited to, the following: the right to hunt, fish, trap and harvest without interference; the right to compensation for forest and mineral resources

taken by non-Indians; the right to be exempt from all forms of taxation; the right to govern themselves according to their own forms of self-government; the right to receive sufficient resources to develop economically and socially according to the wishes of each band; the right to establish and control their own schools and educational programs; the right to design and administer their own health and social service programs; the right to establish their own rules with respect to membership in their band and respecting order on the reserves and to police themselves through band constables; the right to safeguard all Indian sacred places and to practise their own religions, cultures and languages; the right to be fully involved in the process of revising the Canadian constitution; the right to be fully consulted and involved in any changes in provincial or federal legislation, regulations and programs which affect Indian peoples.

"Be it further resolved that in order to redress injustices of the past and to demonstrate respect for these aboriginal rights, the Ontario government should immediately negotiate settlement for any outstanding Indian claims for land, hunting and fishing rights; provide sufficient resources to enable Indian peoples to administer their own education, health, social services and police programs; to recognize the right of the Indian peoples to exclusively harvest wild rice throughout northern Ontario; to be represented on the control board which regulates the water levels in which the lake systems or wild rice grows; to have stabilized water levels at a level which maximizes the production of wild rice in these lakes; and to provide them with sufficient resources to enable these Indians to establish a fully integrated, wild rice industry, including the harvesting, processing and marketing of wild rice."

I hope the minister will respond to some of those issues. I would like to mention a couple of things to the minister before I conclude. One is the whole question of the role of women in northern Ontario. It is a fact that resource-based communities in the north offer fewer opportunities for women. According to latest statistics, northern women had a 7.6 per cent lower participation rate in the labour force than southern women. That is serious and is something that the minister—and not solely the minister—as head of a key ministry in this government should be concerned with.

I would like to know if the minister sees that it is his obligation to improve those statistics and

what, if anything, is happening in the north to increase job opportunities for women. Perhaps we should look at the Ministry of Natural Resources itself in order to see what progress is being made. In the hierarchy of the ministry—the top 25 positions—how many are women, what kind of an affirmative action program is in place, and what progress has been made? I would like very much to have the minister respond to that question when he replies.

In conclusion, Mr. Chairman, I would point out that as the new critic for my party I am increasingly impressed by the importance of this ministry, not because I am the critic, but because of the enormous opportunities that exist for significant changes to be made. This should not be a bureaucratic ministry. It is close to the people in the north, close to our renewable and nonrenewable resources and close to our fish and wildlife.

I am impressed by many of the very good people out there in the field for the Ministry of Natural Resources. A few of them I know personally, but I will not name them for fear of ruining their careers. I am also fearful, however,

because very powerful lobbies are at work in Ontario, lobbies that have more political clout than is warranted. There also exists a strong pro industry view within the ministry at high levels.

The record of the past is a dismal one, whether we are reviewing regeneration rates of our forests, tax revenues from our mines, the level of mineral processing done in Canada, the treatment of our native people or the involvement of the public in the decision-making process. But there is still time, time to ensure a sustained yield in our forests, time to bring our minerals into the public sector in order to maximize the return to the people of Ontario, time to start dealing with our native people in an honest way, and time to implement meaningful public participation in all those decisions that affect not just the north, but all of Ontario. Thank you, Mr. Chairman.

Mr. Chairman: Thank you, Mr. Laughren. We will adjourn now until Monday evening at 8 p.m.

The committee adjourned at 12:02 p.m.

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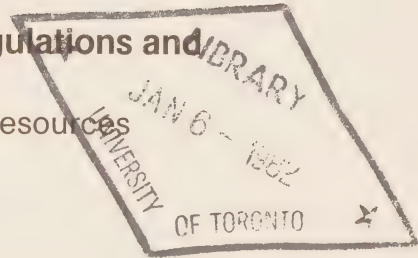
No. I-3

Legislature of Ontario Debates

Official Report (Hansard)

**Standing Committee on Regulations and
Other Statutory Instruments**

Estimates, Ministry of Natural Resources



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First Session, Thirty-Second Parliament
Monday, November 16, 1981

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Monday, November 16, 1981

The committee met at 8:07 p.m. in committee room No. 1.

ESTIMATES, MINISTRY OF NATURAL RESOURCES (continued)

Mr. Chairman: I see we now have a quorum. We will start off this evening by receiving the Honourable Alan Pope's reply to the critics for the official opposition and the New Democratic Party.

Mr. Laughren: Mr. Chairman, on a point of order.

Mr. Chairman: Sorry, Mr. Laughren.

Mr. Laughren: Mr. Chairman, I would like to make a motion.

Mr. Chairman: Mr. Laughren moves that Mr. Fahlgren, commissioner of the Royal Commission on the Northern Environment, be asked to appear before this committee prior to the completion of the estimates of the Ministry of Natural Resources.

I would think, first, with respect to the timing of the motion, we should be dealing with the minister's reply at this stage, but if you wish me to deal with the motion now, I am prepared to. If it is the view of the majority of the committee that we should deal with this motion now, I am quite prepared to do so.

Mr. Eakins: I am supportive; I do not think it would take very long to deal with it. But I would certainly support Mr. Laughren's motion that some time before the estimates are concluded Mr. Fahlgren appear before the committee.

Hon. Mr. Pope: Could I make a couple of comments on that?

Mr. Chairman: Yes, you may.

Hon. Mr. Pope: The Royal Commission on the Northern Environment has been fairly actively engaged in some forms of consultation in northern Ontario with respect to resource development. I am prepared to put on the record the extent of our communication with them, what meetings they have been present at from our knowledge, and the materials they have received from our ministry, but this commission does not report to

me nor does it fall under the estimates of this ministry. The commission reports to the Minister of the Environment.

There are similar issues which have been discussed by the opposition spokesmen, both Mr. Eakins and Mr. Laughren, that I am prepared to further discuss with them, but we have no authority over the northern environment commission or responsibility for it under the terms of its establishment. If it is the wish of the members to have some discussion with respect to Mr. Fahlgren, that is something which does not necessarily affect the estimates of this ministry. I had assumed we were going to be discussing the estimates of this ministry and some of the issues which fall within it.

As I say, it comes under the Ministry of the Environment, and the questions which have been addressed in the Legislature have been addressed to that minister. Any discussions you may wish to have, either to subpoena him or ask him to appear and engage in some discussion on his activities, are things I do not consider to be relevant to my estimates.

Mr. Laughren: Mr. Chairman, I was reading the mandate of the commission and I compared it to the mandate of the strategic land-use plan in northern Ontario, and I would defy the minister to explain to me the difference.

8:10 p.m.

The responsibilities of the commission parallel to a very large extent the responsibilities of this ministry. I do not think it has a thing to do with whether or not the commissioner is answerable to this committee, whether he reports to the Ministry of the Environment or whether this committee has any authority over the commissioner. Of course not. I find that a totally irrelevant argument.

Hon. Mr. Pope: How is it relevant?

Mr. Laughren: The point is that there are many issues swirling about the Royal Commission on the Northern Environment out there, and if I was Mr. Fahlgren, I would want the air cleared myself. There are a lot of people asking a lot of questions about what is going on with the commission. We are not after Mr. Fahlgren, as

the minister put it. We are trying to find out—at least I would like to find out—what the commission is doing these days and what its plans are because I do not think anyone knows. It is not any kind of witchhunt. It is simply a matter of asking Mr. Fahlgren to appear before the committee. It is an excellent platform for Mr. Fahlgren to clear the air on all those matters swirling around the royal commission.

I do not know why the minister is being defensive about it. As he said, the commission is not his responsibility, so it is not as though he is being held accountable for it. It is simply a question of seeing whether Mr. Fahlgren would explain to us what is going on because I do not know and I would suspect that the minister does not know either. It would be a very positive move.

I would suspect, although I have not talked to Mr. Fahlgren, that he would agree it would be an excellent platform to enable him to clear the air on many of those issues on which he is being subjected to attack. I do not know whether the questions or the criticisms are fair or not, but I think it is appropriate to have Mr. Fahlgren come before the committee and tell us what is going on with the Royal Commission on the Northern Environment.

Hon. Mr. Pope: How does this relate to the estimates of my ministry? That is what we are discussing.

Mr. Laughren: My goodness! The mandate of the commission has to do with the development of northern Ontario.

Hon. Mr. Pope: So do the goals and objectives of a number of other groups in this province. What does that have to do with my ministry's expenditures?

Mr. Laughren: There is nothing as specifically appropriate as the Royal Commission on the Northern Environment, and the minister knows that.

Hon. Mr. Pope: What does that have to do with my expenditures?

Mr. Laughren: You are—

Mr. Chairman: Mr. Laughren and Mr. Pope, if we could have just one speaker at a time, things would be much more orderly.

Mr. Laughren: Perhaps the minister would agree that the very things that the royal commission is addressing are primarily the things that the entire strategic land-use program is addressing. They are almost identical issues, though there are some exceptions. Why do you even

ask the question, "What has this got to do with my ministry?" Of course it has a lot to do with it.

Hon. Mr. Pope: How many dollars have I paid to the commission?

Mr. Laughren: How many dollars could you be saving?

Hon. Mr. Pope: We are talking about money I paid out.

Mr. Chairman: Excuse me.

Hon. Mr. Pope: Just a second. I am not finished with my comments, if you do not mind. We are talking about money I pay out according to the estimates. Now where in there do you find the Royal Commission on the Northern Environment?

Mr. Laughren: I see in there strategic land-use planning. That is in there.

Hon. Mr. Pope: Using that, you could subpoena the Ministry of the Environment as well.

Mr. Laughren: I am not asking them to subpoena anyone. I am saying that I think he should be invited to appear before this committee.

Mr. Wildman: He can refuse.

Mr. Laughren: He can refuse. Give him the independence at least to refuse if he would. You are putting him in an impossible situation.

Hon. Mr. Pope: I am not putting him in an impossible situation at all.

Mr. Laughren: You certainly are.

Hon. Mr. Pope: I know what you are manoeuvring for. Just forget it.

Mr. Laughren: No, you do not.

Hon. Mr. Pope: Yes, I do.

Mr. Laughren: You are attributing motives to me now.

Hon. Mr. Pope: We are talking about this ministry, its estimates. That is what we are here to approve.

Mr. Laughren: That is correct.

Hon. Mr. Pope: If you want to engage in a debate with Mr. Fahlgren about how he is or is not carrying out the terms of his mandate, then by all means go and do it. You have done it up north in the media anyway; so go ahead.

Mr. Laughren: Boy, you are being very defensive about this.

Hon. Mr. Pope: I am not being very defensive. I want to get on with the estimates.

Mr. Laughren: So do I.

Mr. Chairman: Gentlemen, with respect, I think this is deteriorating into an argument.

Mr. Laughren: Mr. Chairman, I have not finished and I was being interrupted.

Hon. Mr. Pope: I am finished.

Mr. Chairman: If we can have one comment at a time, please, things would be much more orderly.

Mr. Laughren: When I look at the money being spent on the SLUP process, where we could save two thirds or three quarters of it by avoiding duplication, surely that is appropriate to the minister and to the expenditures of his ministry. I fail to understand why the minister is being so defensive about a commission over which he has no authority, as he admits. Why do you not let Mr. Fahlgren decide for himself as to whether or not he wishes to appear before this committee? Why are you taking it upon yourself to decide that he should not be here?

Hon. Mr. Pope: Why do you not go and talk to him yourself?

Mr. Laughren: Because he should be before this committee which is a public platform.

Hon. Mr. Pope: Why? Go and organize your own public platform. Let's get on with the estimates.

Mr. Laughren: What are you talking about? This is a committee of the Legislature. There is a great deal of public money being spent on that commission. I am sure that other members of the Legislature would like to know what is going on with that commission as well. It has nothing to do with a public platform for me, but it has to do with a platform for the members of the Legislature to debate the expenditures of a commission which may be duplicating a great deal of what you are doing, and surely that is appropriate.

Hon. Mr. Pope: So you want to—

Mr. Laughren: You can attribute all the motives you want.

Mr. Brandt: Why do we not simplify the whole argument? Rather than take up all this time arguing about something on which there is obviously disagreement, let the member put a motion on the floor and we will put it to a vote.

Mr. Eakins: There is a motion on the floor.

Mr. Brandt: I got in late. I am sorry, I did not realize that.

Mr. Chairman: First of all, gentlemen, Mr. Laughren indicated last week he was going to be

bringing forward this motion, and I thank him for the courtesy of so mentioning.

I have had an opportunity to consider Mr. Laughren's request. I would like to make reference to a ruling, dated Tuesday, June 3, 1980, of Mr. Murray Gaunt, the then chairman of the standing committee on social development, who dealt with a request for witnesses to appear during that committee's consideration of the estimates for the Ministry of Health.

Mr. Gaunt stated: "In the best sense of parliamentary tradition, ministers and staff come before an estimates committee as supplicants seeking approval for expenditures and programs for which they have responsibility. They are applicants for money. The relevant question is, 'Shall the vote carry?' Therefore, the committee's responsibility is to judge if this money has been or will be spent wisely.

"In my view, any evidence that is relevant to that question, whether from the minister, staff members, or whomever, is proper material to form the basis of discussion and consideration. The question is how such evidence should be presented to the committee. Any information the committee can obtain to assist in its work shall be encouraged. The calling of witnesses could be helpful provided that such a call meets two criteria.

"Any witness called, or his representative, must be receiving public money directly and be involved in providing a service funded under a program provided by the ministry under discussion. Secondly, any such call can only be dealt with within the time allocation provided for by agreement of the House leaders and concurred in by the Legislature."

In making my ruling, I would like to adopt those remarks of Mr. Gaunt. To repeat the first of the two criteria laid down, I must ask does Mr. Fahlgren receive public money directly and is he involved in providing a service funded under a program provided by the ministry under discussion?

The answer to the latter half of this question is no. The estimates of the Ministry of Natural Resources do not provide for any funding of the royal commission. Furthermore, the royal commission was established in 1977 by order in council on the recommendation of the Ministry of the Environment.

It is, therefore, my opinion, Mr. Laughren, that your motion is out of order and not properly before this committee.

Mr. Laughren: Could I speak briefly to your ruling, Mr. Chairman?

Mr. Chairman: Yes, you could, Mr. Laughren.

Mr. Laughren: It seems to me that a standing committee of the Legislature determines its own business and that if this committee wants to have Mr. Fahlgren appear before it, there is absolutely nothing to prevent it from making such a request, Mr. Gaunt's ruling notwithstanding, as the lawyers would say.

I do not see why the minister would be using that as a reason for not having Mr. Fahlgren appear before us. If the expenditures of this minister and his ministry are duplicating much of what is being done by the Royal Commission on the Northern Environment, I think we have a right to know. If this minister is at all interested in having us judge fairly his expenditures, he would want to encourage that.

Mr. Eakins: I just want to say, Mr. Chairman, that I base my support of the motion on a paragraph from a recent address of Mr. Fahlgren of about a week ago in which he said: "While I have more than one single issue to deal with, I must address forestry, mining, tourism, environmental protection and the decision-making process. Virtually every facet of activity in the north, whether it affects the human or the natural environment, falls under this commission's mandate."

Mr. Haggerty: I want to address myself to your comments, Mr. Chairman. On page 38 of the document I have here, the estimates book, there is a paragraph that relates to the land management program, vote 2502. I think it is quite in order and perhaps it would support Mr. Laughren's motion. It says: "Provision of ministry co-ordination for special land-use related projects such as Reed proposal and the Royal Commission on the Northern Environment." It goes on to financial data; it goes on to indicate \$3,838,000. So there is money that is established in the ministry vote to support that royal commission.

8:20 p.m.

I suggest to you that the motion is in order. We are dealing with this particular vote and it definitely outlines the Royal Commission on the Northern Environment. There is an estimate for 1981-82 of \$3,838,000 and the estimate for 1980-81 was \$3,133,500. There is definitely money in the vote for it.

Mr. Laughren: Is the minister going to respond to that?

Mr. Chairman: Any other comments from any other members of the committee?

Mr. Laughren: Hopefully, the minister will respond to that last point made by Mr. Haggerty, if the minister knows. It is an excellent point.

Hon. Mr. Pope: Do you want to hear it? The expenditures that are referred to there have to do with the West Patricia land-use plan.

Mr. Wildman: Well? Then he should come to discuss the West Patricia land-use plan with us.

Hon. Mr. Pope: That is not what he wants. That is not what he said. Stop trying to fool around.

Mr. Laughren: What are you talking about? Either this money goes to the commissioner or it does not.

Hon. Mr. Pope: No. There is an allocation of expenditures in there with respect to the West Patricia land-use plan.

Mr. Laughren: It says, "for special land-use related projects such as Reed proposal and the Royal Commission on the Northern Environment." How much more specific can you be?

Mr. Chairman, to be fair, it seems to me that since you made the ruling based on expenditures, then you have an obligation to rule accordingly and that there are indeed expenditures in this ministry. It says that right in the minister's briefing book on page 38, if you care to check it. I know the minister does not write the briefing book, but I assume he reads it, and it is there. How do you deny that when it is right there in black and white?

Hon. Mr. Pope: I just gave you the explanation.

Mr. Laughren: You did not give me any explanation.

Hon. Mr. Pope: I knew you would not accept it anyway.

Mr. Laughren: It is in your book.

Mr. Wildman: Mr. Chairman, could I ask a question just for clarification? If it says projects such as Reed proposal and the Royal Commission on the Northern Environment, and then the minister says that relates to the West Patricia land-use plan, how in any way does that affect your ruling?

Mr. Chairman: As I see it, Mr. Wildman, it says provision of ministry co-ordination for the latter two. It does not say that funds are directly spent for those two projects.

Mr. Wildman: That is really splitting hairs. You made a ruling.

Mr. Chairman: With all due respect, I do not think it is splitting hairs. I think the order in council is quite definite that the royal commission was established on recommendation from the Ministry of the Environment—

Mr. Laughren: How specific can you be?

Mr. Chairman:—and I have so ruled.

Mr. Wildman: You have ruled that if moneys come from a ministry, then those witnesses can be brought forward before the committee during the estimates of that ministry. We have now found that moneys come from this ministry and somehow you are going to say that that does not apply to your ruling.

Mr. Chairman: I have ruled that any witness called, or his representative, must be receiving public money directly and be involved in providing a service funded under a program provided by the ministry under discussion.

Mr. Wildman: Yes. The West Patricia land-use plan.

Mr. Chairman: Does Mr. Fahlgren receive public money directly? That is question number one. Question number two is, is he involved in providing a service funded under a program provided by the ministry under discussion? My quite frank answer to both of those questions has to be no. I think that is a fair ruling.

Mr. G. I. Miller: Mr. Chairman, may I ask a question of the minister? Maybe it is because of what happened in northern Ontario. What is the basic reason for not having him before us to explain what he has found? Do you not feel it would be useful to this ministry and to this committee?

Hon. Mr. Pope: We communicate with his staff and with him. He is on our mailing list. He has appeared at our—

Mr. Wildman: Let us just mail him an invitation.

Hon. Mr. Pope: That is up to you. We are talking about the estimates of the Ministry of Natural Resources. That commission reports to and is responsible to the Ministry of the Environment.

Mr. Haggerty: That is the final report, is it not, to the Ministry of the Environment?

Hon. Mr. Pope: Yes.

Mr. Haggerty: That is all. As I interpret this particular section, there is definitely money set aside to assist the ministry in some form of co-ordination. Perhaps you have staff that are sitting with the commissioner on these hearings.

There has to be some dialogue between the ministry and the commissioner, and apparently there is money set aside here for that. I do not know how much out of the \$3 million and some.

Mr. Chairman: I do not think that whether there is some dialogue between the two is the relevant point. I really think that Mr. Laughren's motion might properly be put before any committee reviewing the estimates of the Ministry of the Environment, but I do not see how it is properly before this committee.

Mr. Laughren: Would the chairman permit me to read him two short sentences? This is the mandate of the Royal Commission on the Northern Environment: "one, to discover the effects of major developmental projects on the environment and the people of northern Ontario and, two, to find a means whereby the people of northern Ontario could gain an effective measure of participation, control and economic and social benefit from whatever development does take place." That was the mandate of the commission.

If the chairman would look at the mandate of SLUP, strategic land-use planning in northern Ontario, I suspect he would find that mandate was very similar. I do not have the mandate in front of me because I did not anticipate any kind of dispute over my motion this evening. Even if you rule that the Royal Commission on the Northern Environment is not funded by this ministry, surely you would admit that the responsibility of the commission and the responsibility of this ministry overlap an enormous amount, a great deal, on virtually every important matter affecting northern Ontario. To rule that Mr. Fahlgren, therefore, should not appear before this committee, should not even be invited to appear before the committee, because he is not in the employ of the ministry, really begs the question.

What we are really after is to find out whether or not this ministry is doing its job. It is our responsibility as an opposition, but I think also that of government members, to pursue that matter. I know all about the reality of March 19, but that does not surely mean that the responsibility of this committee is not to pursue with some degree of diligence the job which the ministry is doing.

In view of the fact that the responsibilities are similar and, secondly, that indirectly at least—I do not think it is indirect; I think it is direct—money goes to the Royal Commission on the Northern Environment, even though its mem-

bers are not in the employ of the ministry, I would ask you to reconsider your ruling.

Mr. Chairman: I think that your comments, Mr. Laughren, with respect to the subject matter of what the royal commission does are well taken, but I still think that the basic point as to whether or not this is a proper subject matter to be before this committee depends on whether or not the Ministry of Natural Resources funds this particular royal commission. I think the definite answer to that is no and that my ruling is a proper one and an objective one. I think the motion may be properly brought before another committee considering the Ministry of the Environment estimates, but that is not the case here. We are considering the estimates of the Ministry of Natural Resources, and I do not see where the ruling is anything but objective and fair. If you wish to challenge my ruling, that is fine, but that is my position.

Mr. Harris: Mr. Chairman, I can think of many bodies that receive funding from the Ministry of Natural Resources. I do not think you want to hear from the chairman of the North Bay-Mattawa Conservation Authority or from any of those members or from the rest of them. I think the ruling is in order and that we should get on with the estimates of the Ministry of Natural Resources.

Mr. Wildman: An irrelevant comment.

Mr. Harris: It is probably just about as irrelevant as the resolution before us. I think it belongs, as you have indicated, in the estimates of the Ministry of the Environment. With regard to the slight bit of money that goes here, even though it is not relevant, I think the minister has taken the time to answer what the money is for. If anybody wants to pursue that avenue, he can pursue it certainly with the minister; that is what we are here for. I would say let us get on with the estimates.

Mr. Chairman: Any further comment?

8:30 p.m.

Hon. Mr. Pope: I would like to thank the critics for the official opposition and the New Democratic Party for their comments last Thursday morning. They raised a number of issues that I think hit on most of the very important ones for Ontario and this Ministry of Natural Resources. I would like to take a little bit of time to respond to some of the issues as they have been put forward by the opposition spokesmen and indicate in perhaps a little more detail some of my thinking on the matter and to attempt to satisfy some of their concerns.

We have in the ministry been attempting to develop a comprehensive approach to planning, taking in all the branches of the ministry and co-ordinating them to ensure that there is a counter-balance of goals and objectives that are analysed in an organized and overall fashion. It is not an ad hoc approach. It is one that has encompassed the planning and the work that are now taking place in the forest management agreements. The same approach is taking place with respect to the strategic land-use planning and also with respect to a number of other recreation and outdoor areas of the Ministry of Natural Resources.

In the context of that overall planning, we have been looking at forest management agreements. I just want to reiterate a couple of comments I made to Mr. Laughren. Since I became minister the forest management agreement under consideration is the Abitibi-Price forest management agreement on the Spruce River Road area in northwestern Ontario. Ministry staff from every branch have had an input into that discussion.

The actual legal document that was the basis of our discussions with the companies has been in the hands of Mr. Smith and Mr. Cassidy since July 1979. They have been made available to others who have expressed an interest. They have been filed in the Legislature. The Algonquin Wildlands League, for instance, received a copy in 1979 of the basic agreement. What I am trying to say is that it has been out there for a couple of years to be examined and scrutinized by those who are concerned about it.

On top of that, the actual geography of the area to be set aside has been examined by botanists and biologists within the government and outside the government. Other special groups that have a concern about the utilization of our resources and the need for parks have also had an opportunity to examine the area in question. We have had open houses in Dorion and Thunder Bay during the summer months. That was our attempt to bring to the area under discussion the best information we had about what was contained in that area and to give the basic principles of the forest management agreement to the people who were concerned. I think it was a valuable meeting for us.

Some of the concerns of the groups that appeared before us have had an influence on the decisions that had to be made. Hopefully, when the agreement is finalized, that influence will be demonstrated. We intend, by the way, to file with the Legislature the final agreement, the

maps and documents that go with that agreement and also our best information on the public comments that were given to our ministry at Dorion and Thunder Bay. Therefore, the opposition and many others will be able to assess the degree of success of these concerns being incorporated into the agreement.

There may be a misunderstanding with respect to the process. The exclusions from the cutting areas or the harvestable areas are not limited to the five per cent clause within the agreement itself. When the final details of the Abitibi-Price Spruce River Road agreement are presented, you will see that it is an initial exclusion of between 10 and 15 per cent, which still preserves the five per cent exclusion within the context of the agreement should other circumstances arise.

In dealing with those initial exclusions at the front end of the process, which I considered to be the most important exercise to go through, we had reference to parks planning, parks reserves, the nature of the parks to be contained, recreational opportunities enjoyed by the people of Thunder Bay and vicinity and others from throughout Ontario in that area, the need to preserve and protect fishing opportunities, cottage properties, and tourist outfitters and camps on the various lakes. It is a very comprehensive planning exercise. When the matter is finalized we will be able, I hope, to demonstrate to the members of the Legislature the extent to which we have looked upon the forest management agreement as a planning exercise involving all the disciplines within our ministry.

Mr. Laughren: After the fact.

Hon. Mr. Pope: It was not after the fact; it was during the fact. I think you will find the comments received from the people who were interested have been valuable ones for us. I believe this procedure can be followed with some success in various parts of Ontario as we deal with other forest management agreements. There are none on my desk at the present time, although there are discussions going on with the industry with respect to many other areas.

We do not intend to limit the forest management agreement concept to simply 22 per cent of the area covered by the pulp and paper industry. Our goal is to up that substantially over the next five years. We are also looking at similar types of proposals for areas licensed not to the pulp and paper industry, but to sawmill operators and many others, because we see the need for a more detailed and comprehensive

co-ordination of our activities in the industries, in regeneration and in more intensive management.

We recognize, as the Liberal critic pointed out, the particular importance of this industry in one-industry towns and to the number of people employed in it. There have been comments in reference to a number of studies, one of them being the federal government discussion paper to which I would like to refer.

The federal forest sector strategy paper contains only a brief, one-paragraph mention of the wood supply situation in Ontario. In paragraph 58 of that report, this point is made: "The conifer annual allowable cut exceeds the current harvest by about 25 per cent, but future reductions in annual allowable cuts and future increases in industrial demand will result in serious supply problems unless corrective action is taken." They refer, of course, to the Chapleau and Hearst situations.

I do not think there is anything you can ever do to modify the demand of industry for additional cut. In the interests of their long-term economic stability, their goal is to demand as much wood as they feel they need, not only for their existing operational needs, but also to build in reserves to those needs in case of any planned increases in production and planned capital expansions of their mills and to ensure against any particular problems that may arise in the future.

The Reed report of February 1980 was also referred to. That contained a little more detailed analysis and conclusions. One of the things that report mentioned was that the actual cut of confers is about 80 per cent of the conifer allowable cut at present. But the allowable cut is expected to decline and the actual cut to increase over time, coming into balance about the year 2000.

8:40 p.m.

It says, "For northern Ontario in total, conifers were in surplus at their regional level. The northern region is in full balance, while at some local levels there is a current shortage in the Chapleau and Hearst areas." The perspective that F. L. C. Reed and Associates gave to this issue in February 1980 is that in total conifer is in surplus.

That is what is happening. There are specific areas of northern Ontario where the situation is tight for a specific species, and we have to be concerned about that and address it, but there are also some areas of surplus, particularly of poplar. We think the technology now exists to

use that poplar surplus to give more fibre allocation to the pulp and paper industry and also to encourage the development of waferboard plants in different parts of northern Ontario.

We are aware of some of the problems that are on the horizon and some of the present problems in Chapleau and Hearst. My information is that four to five years ago the ministry met with the Hearst operators and proposed a 20-year program based on their best studies of the situation there. The industry is now four or five years into the first 10-year section of that program. That is providing some continuity and long-term stability in the matter of wood supply.

I also think we can encourage, and I have been trying to give that message to the industry, greater utilization not only of each individual tree, but of different species located on the harvested land. The Liberal critic referred to the 159,004 acres which were left untreated, essentially written off. His figures are correct; the conclusion that those acres were written off is not. That number gave us cause for concern, and that concern led us to the execution of forest management agreements and into other federally and provincially funded programs with respect to improved access.

Our best information is that about 40 per cent of that 159,004 acres relates to land in which there are hardwood species left which can be harvested but are not harvested. Again, these are mainly poplar and birch. The fact that it is not harvested not only impedes reforestation and regeneration efforts, but also gives us cause for concern because it is approaching maturity. So we are trying to escalate our poplar programs through the establishment of waferboard plants to try to utilize that wood as it approaches maturity.

In another 10 per cent there are problems with access, mainly winter road access, which impedes the efforts of companies and the government to get in and get involved in regeneration and reforestation work. It is precisely that problem which led us to put an emphasis on forest access roads in the forest management agreements and in the federal-provincial funding arrangements for the forest industry.

The other 50 per cent, because of drainage problems in swamps or because it is on high rock outcrop ground, is left untreated. That is cause for concern. One may question why it should be cut if it cannot be regenerated because of the swampy soil or the outcrop ground. However, this timber is approaching

maturity, and once it becomes mature and then overmature, it is liable to spoil and not to remain standing. It becomes a question of maintaining the viability of the forest. It is to some extent a question of whether it lies on the ground or gets harvested, whether we make that conscious decision to leave it there, regardless of what the final results of that decision are, or whether we get into some harvesting, perhaps on a selective basis.

Mr. Eakins: Could the minister comment on that particular point? What happens in other jurisdictions? Are you aware of how jurisdictions in other countries handle this particular situation?

Hon. Mr. Pope: I was going to get into that in a couple of minutes. There is a combination, for instance, with respect to rock outcrop or geologically sensitive areas such as swamp lands. Depending on local conditions, some of it may be subject to selective harvesting, some of it may be subject to normal harvest operations and some of it may be left. We get into a very specific decision-making process, which is what we hope to do under the forest management agreements. That is essentially what the forest management agreement hopes to do where we have sensitive areas around lakes, for instance.

We already have, as a condition on a number of licences that I have signed since I became minister, selective harvest areas in the fringe around the lakes or along the fringes of the rivers and streams that we are concerned about. One of the things that was revealed in the public hearing of the Abitibi-Price Iroquois Falls forest management agreement, in concert with the company, which agreed to this, was the fact that in moose yards there is a limit on the clear-cut to 300 acres on a checkerboard fashion.

There are some variations in the stand configurations based on the topography involved, but generally speaking, we attempt to get into that kind of a limitation on clear-cut. It is not that there is a direct cause and effect relationship between clear-cut operations and decline in moose population—the indication is that if you clear-cut, the vegetation grows up and is more compatible with the moose population—the problem is the shelter you provide for the moose herds. We think that with a kind of limited clear-cut policy in this kind of area we can take care of that concern.

As you see, the exclusions at the front end of the process in the forest management agreement include canoe routes, trout streams, trout lakes, cottage lakes and park areas. A wide

range of very specific decisions are made based on the topography and the stand configuration. It can involve no-cut areas and selective harvest areas. But it is hard to give you any principles that are widely applicable throughout the province.

All I can say is that in the licences, and in the forest management agreements to various degrees, some of these concerns are addressed. When we finalize the Spruce River Road forest management agreement, we will do it in a way in which all of these specially designated or sensitive areas are outlined and the cutting policies and regeneration policies of the ministry for each of these areas are indicated so that people will be able to understand some of these types of decisions that have to be made.

There has been news from the Scandinavian countries. Finland is getting into very intensive management. Sweden has problems with overcutting, and the degree of that problem has led them into massive importation of dressed lumber. So there are some problems that they have not been able to resolve in Sweden.

The type of program in Finland that you outlined is also carried on in certain states in West Germany. They are able to do it there partly because they have smaller-sized mills located in small communities. This is done throughout Saxony, for instance, where the harvesting is more intensive so that the wood supply is immediately adjacent to the mills in smaller allocated areas.

8:50 p.m.

Mr. Eakins: On that particular subject, I wonder if I might ask if some of the people from your ministry are in touch with the Finnish process. I particularly mention that because, just on the weekend, I spoke to some of the people from that great natural resource community college in Lindsay, Sir Sandford Fleming, which is doing a great deal in the training of forestry people for the province. A couple of your personnel there had just recently been to Finland and praised highly what they had seen. They were very much enthused and quite anxious to talk about it. They thought what they saw was really revealing.

Hon. Mr. Pope: Yes, I gather we have regular contact, at least on a once-a-year basis, with a lot of the scientists and foresters and government departments in different countries in Europe and they reciprocate. A lot of international scientists, from Holland, France, Italy, Britain, Germany and Sweden and a couple

from the United States, were in Ontario in late summer with respect to the hybrid poplar program or the public audit of that program. There is quite an exchange going on. In addition, I have been involved myself in trying to obtain information—

Mr. Eakins: Perhaps an all-party committee should look that over.

Hon. Mr. Pope: We can always learn. I think we are making the contacts to try to get information as it progresses. For instance, the French government is doing some interesting research now on fast-growing pines. They had a real problem with their reforestation program in southern France near Bordeaux. About 25 years ago they opted for the Portuguese pine and on a very intensive basis had ploughed up a lot of marginal farm land and planted that kind of pine. Then they found that for various reasons it just did not give a true and straight tree and was not particularly high quality wood.

What they have had to do is switch to another kind of pine, a Mediterranean kind of pine, and now they are getting involved in very intensive planting programs in the area south of Bordeaux as well. They have problems with alkalies at various levels in the soil, and they have to plough about three feet under the soil level to break through this alkaline barrier and try to get the trees planted. It is a very costly program. They are doing some experiments which I am aware of with respect to fast-growing pine. I think this is an area into which we are also going to have to put a lot of effort.

We are starting now with experimentation on fast-growing conifer species, in the same way we did with the poplar species, because that also can have an impact on the annual allowable cuts in different areas of the province. For instance, with respect to the Domtar agreement, if the program works out the way we think it will, it may be that about 50 per cent of their fibre needs could be met by the hybrid poplar plantation program. That may have an impact on their annual allowable cut if we opt to go that way, or it may have an impact in terms of minimizing stresses for other mills or other industries in the area which may need some of that pulp fibre for their own production.

I guess I am trying to say that the programs are not staying constant; they are being developed and are in various stages of implementation with respect to ways in which we can increase the annual allowable cut without having an impact on sustained yield. I think that

offers good hope for the future in a number of areas of the province.

I was concerned about your comments on the lack of success experienced in many areas with container stock and the 20 to 30 per cent survival rate of nursery stock for a variety of reasons. There may be problems in the specific area that you may wish to deal with, but I am told that the general provincial rates for assessment at five years after planting are for bare-root stock, 50 to 62 per cent survival, and for major conifer species and container stock, 65 to 73 per cent survival rate.

As I say, we are looking at ways to improve that survival rate, including some experiments we are now doing with black spruce. I do not think the situation is at the 20 to 30 per cent level, although there may be some specific areas the honourable member is aware of with that kind of problem.

The issue with respect to clear-cut has been raised by the honourable member. We are attempting through the forest management agreements to look at the specific cutting techniques and, again, it is hard to give general widespread principles. Because of stand configuration and topography, it is very rare to have a 50,000 acre clear-cut operation dispersed throughout northern Ontario. There are large clear cut areas; there is no denying that.

Mr. Eakins: There are some huge areas.

Hon. Mr. Pope: Not as huge as in some other jurisdictions and not as huge as some of the areas that are devastated by fire or by other natural catastrophes. But it is a problem that has to be addressed in the context of protection of streams and lakes and moose yards, nesting sites and recreational lakes. Again, we feel the best way to view this as an issue is in the context of forest management agreements and as conditions on licenses, and to take measures to protect specific features that we feel have to be protected, to have a look at the stand configurations, to go into the planning of operations of the various industries, which are individually discussed with the ministry, and also to look at their annual cutting plans.

Mr. Haggerty: How effective is the program you have? What is the end result? We have not seen anything as yet.

Hon. Mr. Pope: Oh, I think you have.

Mr. Haggerty: Well, just name me an area. Then we can take a look at it.

Hon. Mr. Pope: Timiskaming. Look at some of the regeneration efforts and some of the

harvesting techniques in the Timiskaming area. In any area we are going to have considerable problems, but I think a lot of good management practices are being carried on there that involve recreational lakes and other resource uses in which companies are trying to effect a balance. We are trying to work with them to effect that balance. I think the results have been fairly positive.

I think we can do some more work to improve the area. There are some problem areas in northwestern and north central Ontario that we are concerned about. You cannot make a blanket statement about the entire practice of the forest industry. There are some specific areas that might cause concern on a geographical basis. There are others you would probably be very happy with. Perhaps some time at your convenience I can go up with you and we can go through a few of the good places and the bad places and get a balanced view of the activities of the industry.

Mr. Haggerty: I have been up around the bad places in northwestern Ontario and there are a number of areas there.

Hon. Mr. Pope: There are a couple of areas in the northeast that cause me some concern as well. We have to deal with them in the context of the licences and bring in some conditions, which we are doing with respect to cutting practices. In the context of forest management agreements, we have to get into more intensive planning of the cut because one of the things that affects the decisions to clear-cut or not to clear-cut is access. That is why one of our priorities is forest road access in the context of both forest management agreements and the DREE funding programs that are available. We think we are starting to make some headway on that and we hope to be able to show you some examples at the appropriate time.

9 p.m.

Mr. Haggerty: I should not be interjecting, but have you done any studies, Mr. Minister, in the areas of the use of heavy equipment such as is used by tree farmers and so on? A lot of damage is done when they are hauling out the timber, the logs. When I have visited the north, to get maybe half a dozen good size trees that they want, I have seen them destroy 200 or 300 or more young black spruce with their heavy equipment, getting in and pulling them out. It is just dragged out. They whip up everything.

Hon. Mr. Pope: In our own programs directly, and we hope through encouragement to the

industry, we have been calling for a change in the type of equipment that is being used. In fact, in the last five months we have had complaints from some of the equipment operators about our criteria in respect to wide tire and that kind of thing for some of the forest activities we are involved in. Some of the contractors have been complaining about our criteria being too stringent. Nevertheless, we are proceeding with that as a condition in our contracts, that we want the kind of equipment available which is going to do the least amount of damage to the soil and to other vegetation in the area. Obviously, you are going to damage vegetation whenever you go in to harvest or regenerate, but we agree that it should be minimized through the use of appropriate equipment.

Mr. Haggerty: Particularly since when a farmer in southern Ontario goes in to remove timber, I do not think he does the same amount of damage that is done with the equipment they used in production by the paper industry in Ontario. I suggest to you that maybe there are some good practices that should be implemented in those particular areas by those using the machinery and equipment. To me, I think there is too much damage done.

Hon. Mr. Pope: The deputy says at Spruce Falls and Abitibi, for instance, they are switching over to the type of machinery that will do the least amount of damage possible. I think there is a recognition that that was a problem, and we are moving to address that concern in a positive way.

The reference to the Heeney report in 1977 does not jibe with the statistics that have been produced from time to time in the Legislature with respect to regeneration on crown and patent land in Ontario. I think it was last October that information was supplied to the Legislature with respect to regeneration efforts.

According to the current 1980-81 figures, the total cutover area is 600,000 acres; area not available for regeneration treatment is 173,000 acres; area regenerated naturally is 182,000 acres; area requiring regeneration treatment is 245,000 acres; and area regenerated artificially is 259,000 acres. So we still have to address ourselves to the concerns the Liberal opposition spokesman addressed himself to, which are the areas not available for regeneration treatment, and try to bring that down through access and through a greater harvesting of a wider variety of species located on the land.

Setting that issue aside, I think we are making progress and we can do better. We hope that

with the forest management agreements and our own direct efforts on crown land we will be successful.

The forest management agreement with Abitibi-Price in Thunder Bay was referred to by opposition spokesman and the way in which discussions with the company in question take place under a forest management agreement. A lot of discussion takes place that might relate to the cutting or regeneration activities of Abitibi-Price in the context of the five-year operating plan and the annual cutting plan.

If there are excesses one way or the other under the current operating plan, then there could be remedial action taken in further discussion of the next operating plan when it comes before the ministry, and possibly in the annual cutting plan. That has to be looked at as well as the terms of the agreement to determine whether or not there are measures available to the ministry to redress some of these problems. Basically, our goal is to have harvested between 90 and 110 per cent of allowable cut per year because it is within those limits that we can continue to manage the annual allowable cut.

Mr. Eakins: Did you say between 90 and 110 per cent?

Hon. Mr. Pope: Yes. If it gets beyond that, I think we have difficulties that have to be addressed in the next five-year operating plan, and it has to be brought back into balance. There are a number of areas, including Hearst, by the way, in which the annual allowable cut has been increased in order to harvest mature timber. That can cause some bulges in the harvesting and the cutting practices of companies and can cause some problems about gearing down and gearing up.

Hopefully, if we get into these regeneration agreements and more comprehensively planned cutting practices, we can even out those bulges and get a proper proportion of forest coming into maturity so that we can have a long-term sustained yield plan in place that can go on indefinitely without having these bulges which force us to gear up and gear down. That is the policy we have adopted in the Hearst area, and I think it is the only one that can be effective.

I do not see the end, I might say, to third-party arrangements. We consider third-party arrangements to be important for the sawmill industry, and to end them would not be to the long-term benefit of the Hearst operators, I do not believe. We have always historically, or in the past decade, tried to assist the independent operators—and I think successfully—to obtain

the cut for production levels that they see as necessary for them to get a return on their investment. We will continue to do that.

I know there is concern voiced from time to time by René Fontaine and a number of Hearst operators with respect to their dependence on third-party agreements. We have tried to assure them that we will continue to act in their best interests through discussions and through 20-year plans such as we did present to the Hearst operators.

I would next like to discuss some mining issues, if I might.

Mr. G. I. Miller: May I ask a question? Is there any clear-cutting and then cleaning up and replanting similar to what they do in the southern states where there is a complete harvest? Is that possible to do in northern Ontario?

Hon. Mr. Pope: I am sorry, what do you mean by complete harvest?

Mr. G. I. Miller: After clear-cutting, they clean up the ground and then replant with a fresh crop.

Hon. Mr. Pope: If it is all one species in the stand, they will clear off the stand, and then it is our responsibility. Under the forest management agreement, it would be a joint responsibility to get into regeneration.

Mr. G. I. Miller: Is it being carried out in northern Ontario at the present time?

Hon. Mr. Pope: Yes. They cut, and then next year there is scarification. Then they get into—

Mr. G. I. Miller: Do you have an acreage figure?

Hon. Mr. Pope: We can give you different figures. On site preparation on crown lands, the total activity component involves 117,236 acres, just to give you an example of one type of activity, namely, scarification.

Mr. G. I. Miller: Is that one year's thinning and planting?

Hon. Mr. Pope: Yes.

Mr. G. I. Miller: Do you have that data available in a form we can have access to?

Hon. Mr. Pope: We can include that. Generally, we have been documenting the types of things that I read off about the total area cut, the area not available for regeneration, the area available for regeneration, the natural regeneration and the artificial regeneration activities in terms of acres, but we can include that kind of

information in that table if that would be helpful to you.

9:10 p.m.

Mr. G. I. Miller: Do you not think it would be useful, even for yourself, Mr. Minister, if you had that data?

Hon. Mr. Pope: As I say, we have that; that is in the estimates from 1980-81.

Mr. Eakins: Did you say the FMAs will in the future contain a maximum clear-cut policy?

Hon. Mr. Pope: In general terms, no. I think those decisions have to be made in the context of the configuration of stands and the geography of the area covered by the FMA. In certain areas there would be selective harvesting, in certain areas there would be no-cutting areas, and in certain other areas there would be limitation on clear-cutting to serve other resource needs. I cannot give you a definite overall policy. You would have to examine the FMA documents themselves and some of the detailed cruise work that has been done in the cutting areas in order to get that information.

Mr. Eakins: What about wasteful practices then? Will that be addressed in the FMAs at the present or pending or future?

Hon. Mr. Pope: Excuse me, just on the silviculture operations, there is quite a breakdown in the statistics of the Ministry of Natural Resources. In the 1980 statistics, I can refer you to pages 14, 15 and 16 of the summary of statistics for the year 1980, which could help Mr. Haggerty with some of the information. You could have a look at that and see if that clarifies it. If it does not, we will address ourselves to providing you with the additional information.

I think the reference to wasteful practices relates to section 21 of the regulations under the Crown Timber Act. There are five different kinds of wasteful practices, just for the information of the members: high stumps, unutilized logs, long butts, unutilized standing trees and lodged trees. The penalties are set out as \$1 per high stump, two times stumpage attributable with respect to unutilized logs, one times stumpage attributable for long butts, \$2 per standing tree for unutilized standing trees, and \$5 per lodged tree.

I think the argument can be made, and has been made, that the penalty amounts are sufficiently small that there might not, in effect, be any monetary control over wasteful practices through the penalty sections.

Mr. Eakins: Did you say that is section 21?

Hon. Mr. Pope: Section 21. One of the things we are looking at in the context of the forestry management agreements in the negotiation of our annual cutting plans and the five-year operating plans is the examination of the cutting practices and harvesting practices of the companies during the course of their current cuttings rights. We are prepared to re-examine in the negotiation of the five-year operating plans and the annual cutting plans the efforts of the companies in terms of their cutting practices and in terms of their regeneration efforts, and whether or not they have lived up to what we expect of them in the context of the forest management agreements.

We also think that a more effective deterrent is that in extreme situations the operator can be ordered to return to clean up a cutting site before additional cutting approvals are issued. That is a very costly error. In a number of cases since I have become minister, we have been involved in that kind of a discussion with the company concerned, and it has made them aware of the need to cut down on their wasteful practices. I know we had a problem in the Timmins area which quite concerned me. We had some discussions, and there were some others in other areas with the company involved, and it was cleaned up.

We are also trying to move towards providing incentives for improved utilization of wood. Again, I spoke about that at the University of Toronto and indicated to the industry that we would be looking for better utilization and cutting down on wasteful practices, and that would affect our attitude with respect to cutting rights and also regeneration activities under forest management agreements and also under licences.

The incentives that we have devised with respect to reducing wasteful practices include a reduced stumpage on low grade and salvage wood and an increased emphasis on area charges relative to that on stumpage; a willingness to consider recalculation of allowable cuts and weight volume ratios where it is demonstrated that utilization substantially exceeds the normal standards of merchantability; and forest management agreements and our discussions in the context of those agreements.

We do agree that wasteful practice is an important issue that has to be addressed. We can provide some positive encouragement through these measures, and they are having an impact. As I say, I have been willing, when the circumstances warranted, to indicate to the company

that we want them to go back in and clean up areas which we think have not been properly cut in accordance with accepted standards.

I would like to turn, if I may, to mining and address myself to a few comments that both critics have made on mining. We do believe that we have in place a wide range of programs that encourage mineral exploration and development activities. We have our geological survey program which has led, where maps have been produced, to great increases in staking. I can think of the Kirkland Lake area as one example, but there are others.

From reports we get from mining and exploration companies, from survey companies, from small mining companies and small exploration companies, there is a great increase in these kinds of activities. It has been going on for the last year. In fact, some exploration and survey companies are now booked well into next summer with respect to contracts. We see a lot of hopeful signs both for exploration of new mines and also for expansion of existing ones.

In the fiscal year, 1980-81, we had over 36,000 mining claims recorded, and that was more than double the number of claims registered in the previous year.

Mr. Laughren: How many are gold?

Hon. Mr. Pope: A good portion of them in northeastern Ontario would be gold, although not exclusively. That relates to the market situation, although that is marginal depending on whom you talk to. But there has also been staking for other kinds of minerals.

With respect to the 36,000 mining claims that were recorded, if you looked at a reasonable breakdown, you would find there is some relationship to the geological survey activities of the ministry. We are going to continue with that program in the coming years. It also indicates our priority in getting geological and development information out to the potential investors, potential mining companies, and trying to do that with respect to gold and also with respect to peat and a number of other products which we think merit attention.

9:20 p.m.

We have indicated in the BILD program that we would place a priority on the development of industrial minerals located throughout Ontario, which we think provide a good economic opportunity for a more diversified mineral production on a regional basis. We do a lot of importing in that area right now. We think that with the right encouragement the potential

exists to get into that kind of production activity.

The Ontario mineral exploration program, which I dealt with briefly in my opening comments, is another indicator of the increased mining activity which is taking place right now throughout Ontario. I have a couple of figures for you which will indicate a real takeoff in the number of people getting involved in the program and the true impact of the program.

For the period September 1, 1980 to August 31, 1981, 234 Ontario mineral exploration applications were submitted, representing an exploration expenditure of \$62.6 million. Of these, 172 applications were designated with corresponding exploration expenditures of \$50.3 million and eligible exploration expenditures of \$41.5 million. The maximum grants and tax credits are estimated to be \$10.2 million.

During that same period 44 programs were completed with exploration expenditures of \$7.9 million and eligible expenditures of \$6.2 million. This resulted in issuing grants of \$400,000 and tax credits of \$1.1 million. As of September 1, 1981, 126 programs are in progress, representing \$39.6 million in total, exploration expenditures of \$32.8 million in total, and eligible expenditures of \$8.1 million in grants and tax credits combined.

I can break it down according to region just to give you some idea. In the northern region of the province, 60 programs are in place; north-eastern region, 17; northwestern, 22; north central, 16; and eastern and Algonquin regions, 11. That is the breakdown of the total of 126. The great difference in interest and applications being made this year over the past year is very encouraging. We are encouraged because it is being used by individuals to get involved in mineral exploration and development.

It is a different translation from exploration and development activity with respect to the establishment of new mines. There are a number of encouraging signs. If you read the Northern Miner, from time to time you will see announcements of a number of new companies being established. For instance, Nickel Offsets, I see in the latest issue of the Northern Miner, is indicated as going into production on the gold property on Highway 655 south of Driftwood.

Then there is the Detour Lake mine which has tremendous potential in gold development to the northeast of Cochrane, an area which has not traditionally seen much mining activity. I am also aware that there are some in northwestern Ontario in different stages of development.

These kinds of signs give us hope that the past year and the coming years are going to be very active ones.

One of our goals is to ensure that this mineral exploration and development and the opening of new mines take place on a wide geographical basis so that in every part of northern and eastern Ontario, and throughout Ontario where the potential exists, there will be mining activities going on in conjunction with the forest industries. We think the two of them in conjunction can offer some diversity for the local autonomies and can add to the economic stability, particularly in different parts of northern Ontario. That is what we are trying to encourage through a number of programs we have in place.

In addition to that we have investment decisions being made by existing mines with respect to the expansion of production and with respect to redevelopment work on mines which were closed and which they wish to reopen. The Noranda Group is already working the old Hollinger site in the city of Timmins; Dome Mines in Timmins has embarked on a program to expand its milling capacity by 50 per cent; and there is also the Texasgulf expansion program. In the Sudbury basin other plans are in place for expansion and for further refining to take place there.

There are some problems. Some mines have low-grade head going into the mill and need to have some changes in technology and in the capacity of those mills to get the same mineral production out of an increasing volume to be milled. That is causing some concern in certain specific areas.

We are hoping that the custom gold milling program, which we just started within the last year, will help smaller or medium mines to get into production and use these facilities on a contract basis with operators. We are receiving indications that this kind of a program will be favourably received by the smaller companies. We hope it will lead to some development of small mines using the custom mills. But that is only for gold. The member for Nickel Belt (Mr. Laughren) is quite right; the emphasis has been on gold custom milling. But there are some other areas in which we see the need for milling facilities, and we are working on that right now.

One of the problems the member for Nickel Belt referred to had to do with Silverfields mine. That is a very complex problem, involving the Cobalt area and the refining of silver ore with a high arsenic content. There was a refinery in the

Cobalt area which we had hoped would be used by Silverfields to refine its product, but they could not come to an agreement. I tried to intervene personally on the matter to bring the two parties together. Both of them showed me the financial statements and their economic analysis of what they required or could pay in order to make it profitable, but they still could not come to any agreement.

In the midst of it, CSR announced it was closing. Then Silverfields announced that unless it could export, it would have to close as well, and it gave notice to the Ministry of Labour of impending layoffs. Faced with that situation, we had a look at other possible refineries in Ontario and in Canada. We were advised by those refineries that they did not want to accept the ore because they did not have the capacity to deal with the problems created by the high arsenic content. So we had to make a decision to give them a one-year export permit.

The long-term solution for the Cobalt area is to have a silver refinery which will handle the type of ore found in the Cobalt area. We had hoped, and continue to hope, that a private operator or mine will take it upon themselves to construct that kind of a facility in the Cobalt area and that they will get support from other producing mines in the area and get into a full scale production.

Mr. Laughren: Why should they do that?

Hon. Mr. Pope: Because we think it is in the best interests of that area to do it.

Mr. Laughren: Falconbridge has never had to do it in 50 years.

Hon. Mr. Pope: Because of that, do you think we should not try to do it in Cobalt?

Mr. Laughren: No. I am just saying if I was in the private sector, I would love to play poker with you on whether or not to build a refinery. You would throw in your hand every time.

Hon. Mr. Pope: I do not think I would throw in my hand every time.

Mr. Laughren: But you have.

Hon. Mr. Pope: What would you like me to have done in the Silverfields situation?

Mr. Laughren: I would like you to enforce section 113 of the Mining Act.

Hon. Mr. Pope: And throw 100 people out of work?

Mr. Laughren: That is what I mean by throwing in your hand every time. For 50 years you have thrown in your hand with Falconbridge.

Hon. Mr. Pope: Your position with respect to Silverfields was not the position of the municipalities or companies that were involved, nor that of the workers.

Mr. Laughren: Nor of Falconbridge, right?

Hon. Mr. Pope: It was not the position of the workers.

9:30 p.m.

Mr. Laughren: Of course not. You ask a worker whether or not he wants you to enforce section 113 of the act and he will say, "If my choice is unemployment, which is what my boss tells me, of course I will take my job." What a ludicrous argument you make.

Hon. Mr. Pope: You may think it is ludicrous but do you want to play Russian roulette, do you want to play poker with the workers involved?

Mr. Laughren: That is always your cop-out, isn't it?

Hon. Mr. Pope: You said I should be playing poker. Do you want me to play poker with 100 jobs?

Mr. Laughren: No. I did not say you should be playing poker. I am saying they call your bluff every time, and every single time you cave in. Show me where you have not caved in on the processing question.

Hon. Mr. Pope: On a number of instances I have not.

Mr. Laughren: No, you never have.

Hon. Mr. Pope: I am sorry, you are wrong.

Mr. Laughren: That is why all the exemptions are there for Inco and Falconbridge.

Hon. Mr. Pope: You are wrong. You would not know. All you see are the exemptions that go through. With all respect, you are not aware of the exemptions that do not go through, and there have been a number since I became minister.

Mr. Laughren: For 50 years there has been nothing but exemptions for Falconbridge. They always use the same argument—to maintain a stable employment in the Sudbury basin. For 50 years the struggling little company that is part of the Superior Oil empire has used that argument.

Hon. Mr. Pope: You are saying we always knuckle under and that we always lose the poker game, and I am telling you you are wrong. There have been a number of instances in which I have not given section 113 or section 104 permission since I have been minister. No doubt other ministers have had similar decisions to make. The fact of the matter is the only

information that appears is for the ones that have been granted.

Mr. Laughren: Yes, 25 big ones. It is the big ones you cave in to too. I am sure you really crunch the little ones. It is the big ones you cave in to every time, and you have. Fifty years is a long time to allow Falconbridge to ship its ore to Norway, don't you agree?

Hon. Mr. Pope: That 50 years is a long time?

Mr. Laughren: To ship to Norway. Inco ships 30 per cent or more of its ore, too, and Inco gets its exemptions by the bundle as well.

Hon. Mr. Pope: Getting back to the Cobalt situation, I think there has been some interest expressed in the construction of a refinery facility there. We are endeavouring to pursue it and we are also looking at a number of government programs to try to get that kind of facility going again, I hope with the support of the local industry.

The employment picture in the mining industry has been referred to. I think it is important to note that the employment picture was altered somewhat in the years 1978 and 1979, particularly with respect to the production problems in the nickel industry, which a number of members who are here today were involved in discussing in a select committee of the Legislature.

Mr. Laughren: Speaking of caving in, what was your response to that committee too?

Hon. Mr. Pope: That reminds me of Mr. Haggerty and Mr. Mackenzie.

Mr. Haggerty: The Inco plant in Port Colborne is going to create a number of jobs down there. The spinoff alone is going to be a benefit to that area. I think I remember Mr. Carter saying something about that during the hearings on the Inco layoffs. He said he had not forgotten Port Colborne and that there would be future expansion in that area. So it has come about.

The other area of the expansion is in their operations in England. That was to open the door to the European Common Market. There is a trade bloc there, and the only way they can operate is to go through England. With a refinery over there, they can sell some of their products over there.

Mr. Laughren: Is that true of Falconbridge in Norway?

Mr. Haggerty: I do not know about that, but I am sure that it opens the door into the European Common Market.

Mr. Laughren: Nonsense.

Hon. Mr. Pope: A lot of these discussions and a lot of expansion decisions are always controversial. The layoffs in the nickel industry in 1978-79 had an impact on the employment picture in the mining industry, but I think that has come around quite significantly this year. Also, the number of people involved in exploration and development activities has increased markedly. I think it is fair to say that in general terms over the last 10-year period the employment picture has been rather stable with some problems in the Sudbury area that have to be acknowledged.

I look forward, quite frankly, to a number of expansions taking place over the next two to three years which will have a positive impact on the number of people being employed in the mining industry, and that is all for the good. As more and more companies make decisions to build refining facilities in different parts of the province, as Mr. Haggerty has indicated, and as is going on in the northeastern part of the province that I come from, I think that picture will continue to improve.

There is always the argument about the return to the people of Ontario from the mining industry, and that is always a contentious point. The comparison the member for Nickel Belt (Mr. Laughren) made was with the Saskatchewan industry and the return that was given back to the people of the province with respect to that activity in Saskatchewan compared to the activity in Ontario.

Mr. Laughren: Because they own their resources. That is why.

Hon. Mr. Pope: There are some interesting facts.

Mr. Laughren: Tell me.

Hon. Mr. Pope: I intend to. I have been waiting for a while.

Mr. Laughren: So have I.

Hon. Mr. Pope: The honourable member indicated that 16.5 to 17 cents on every dollar of mineral produced comes back compared to the Ontario average of—I think Mr. Laughren said it was 2.5, but Mr. Martel said 3.3 or 3.5.

Mr. Laughren: It is 3.5.

Hon. Mr. Pope: There is a little bit of a difference in the two industries that I think should be looked at. One is the predominance of the potash industry in Saskatchewan and the marketing arrangements in the United States with respect to potash.

Mr. Laughren: You are not going to use that argument, are you? Twenty years ago we controlled 90 per cent of the free world supply of nickel. Where were you then? Do not use that argument.

Hon. Mr. Pope: How many years ago?

Mr. Laughren: Twenty years ago.

Hon. Mr. Pope: Twenty years ago I was in grade 11.

Mr. Laughren: What does that have to do with it?

Hon. Mr. Pope: You asked me where I was.

Mr. Laughren: You represent a government that continually gets us virtually sweet nothing on our resources. Do not give me that nonsense.

Hon. Mr. Pope: Well, I would like to deal with the sweet nothing. Do you know how much money the crown corporation in Saskatchewan pays in municipal taxes?

Mr. Laughren: No.

Hon. Mr. Pope: It does not pay any.

Mr. Laughren: What does that have to do with the direct return for the minerals?

Hon. Mr. Pope: How much does the mining industry in Ontario pay in municipal taxes?

Mr. Laughren: You justify the return that the Ontario government gets. That is your job.

Hon. Mr. Pope: I am just asking you do you know?

Mr. Brandt: You just use a set of figures to establish the foundation for your argument and ignore everything else. That is a very relevant point.

Mr. Laughren: I will listen to the minister.

Mr. Brandt: I think you should because the point he is raising is a very relevant one. Pass-through taxes through the municipality are relevant to total taxation whether it is provincial or municipal. That is the only argument he is making.

Mr. Laughren: When you talk about the municipal taxes they pay in this province—

Mr. Martel: What comparison? It is very small.

Mr. Chairman: Now we have three people speaking at once. Mr. Martel, I would suggest we let the minister reply to Mr. Laughren's question. There is a personality conflict here.

Mr. Brandt: As soon as we mentioned potash, you walked through the door.

Mr. Martel: Why do you not buy something in Ontario?

Interjection: Like an oil company?

Mr. Martel: An oil company, or what about a nickel company? You would not have to refine in Norway. You could refine here.

Mr. Brandt: Normally, we enter into a willing seller, willing buyer arrangement rather than some other arrangement you might suggest.

Mr. Chairman: I would ask the member for Sarnia to please not provoke the opposition.

Interjections.

Hon. Mr. Pope: I think relevant consideration in terms of return to the people does involve whether or not these corporations in Saskatchewan pay municipal taxes, retail sales tax, dividend taxes to their shareholders, or federal and provincial corporate taxes. Do you not think that is relevant?

Mr. Laughren: What nonsense!

9:40 p.m.

Hon. Mr. Pope: You are looking at a \$4.6-billion industry in Ontario. Is it comparable to the size of the Saskatchewan industry?

Mr. Laughren: No, it is much bigger, so we should get more return.

Hon. Mr. Pope: You are looking at 21 per cent of that total amount that goes out in wages to the workers of Ontario, about \$1 billion. You are looking at goods and services shipped of 57 per cent, \$2.46 billion—

Mr. Laughren: You are bolstering my argument.

Hon. Mr. Pope: —of which 73 per cent is spent in Canada. You are looking at taxes of nine per cent that they pay out.

Mr. Laughren: How much municipal taxes do they pay?

Hon. Mr. Pope: The profits that they end up with are three per cent and the profits reinvested in the industry are 10 per cent of that total \$4.6-billion package. So you can quote figures—

Mr. Laughren: And you are satisfied.

Mr. Martel: We get two per cent?

Hon. Mr. Pope: Total taxes paid to all sources are nine per cent.

Mr. Laughren: Are you satisfied?

Hon. Mr. Pope: I think it is a good contribution and I will put it up against total return of the Saskatchewan industry any time.

Mr. Martel: Eighteen per cent.

Mr. Brandt: Mr. Chairman, could I ask the minister a question which I think is relevant to the figures? If you were to exclude potash from the Saskatchewan figures, do you have any idea of what the balance of those numbers would be?

Hon. Mr. Pope: If you exclude potash, it is 12 per cent of total revenues left to Saskatchewan; 88 per cent of their mining revenues come from the potash industry.

Mr. Brandt: The position was put forward that 16 to 17 cents in the dollar of the total revenue in Saskatchewan goes to the government as opposed to approximately 3.3 or 3.5 cents in Ontario. If you were to exclude potash from the 16 to 17 cents—

Mr. Laughren: Why?

Mr. Brandt: Potash is a different kind of mineral that is not mined in Ontario.

Mr. Martel: So is oil.

Mr. Laughren: Nonsense. It is no different to anything else.

Mr. Brandt: There is a different market and there is a different situation relative to potash.

Mr. Laughren: What about oil? We delivered enough oil out of those computations.

Mr. Brandt: Could I address the question to the minister? I wondered if that figure has been looked at.

Hon. Mr. Pope: In the hope of muddying the waters, I can give you some general figures.

Mr. Laughren: That's about what we need—muddying the waters.

Hon. Mr. Pope: You have given all the figures one way. You have taken 17 per cent, but you have ignored the municipal tax, the retail sales tax and the corporate tax issue. You have ignored the dividend issue.

Mr. Laughren: Not at all.

Hon. Mr. Pope: You took 17 per cent, which is the total of all those combined, and compared it to 3.3. That is what you have done. You have willingly excluded municipal taxes, retail sales tax and dividends back to the shareholders.

Interjections.

Mr. Martel: Have you got nine instead of 17?

Hon. Mr. Pope: You ignore the reinvestment back in.

Mr. Martel: They are reinvesting heavily in Saskatchewan.

Hon. Mr. Pope: Yes. Tell me about it.

Mr. Martel: That is why there is more money spent in exploration there than there is here.

Hon. Mr. Pope: The Saskatchewan Heritage Fund had mineral receipts of \$182 million in 1979-80.

Mr. Martel: What is our heritage fund?

Hon. Mr. Pope: Would you mind if I read it?

Mr. Martel: Just tell me what our heritage fund is.

Mr. Chairman: I think the minister is entitled to give a reply.

Mr. Martel: There is no fund. Tell them there is no heritage fund.

Mr. Brandt: I want to get to the true figures. I was hoping the minister would get to that.

Mr. Martel: He is trying to get to nine, desperately.

Hon. Mr. Pope: I do not have to try.

Mr. Laughren: Keep climbing.

Hon. Mr. Pope: The Ontario mining tax revenue in 1980-81 was \$160.5 million and represented a return of 3.4 per cent on gross mineral production of \$4.7 billion. That is under the mining tax revenue.

Mr. Martel: What a cut of the action that is.

Mr. Eakins: How about municipal taxes? How much do they pay?

Mr. Laughren: Not much.

Mr. Martel: They wrote that off too.

Hon. Mr. Pope: Total taxes are nine per cent.

Mr. Laughren: Nine per cent of what?

Hon. Mr. Pope: Of the total revenue, nine per cent.

Mr. Laughren: How come Sudbury is not getting any of that? What are they paying in municipal taxes? Let us get back to municipal taxes for a moment. How much are they paying in municipal taxes?

Hon. Mr. Pope: Where?

Mr. Laughren: You included municipal taxes in Ontario. How much?

Mr. Martel: How much do they pay?

Hon. Mr. Pope: They pay \$420 million in total taxes.

Mr. Laughren: Not total taxes, municipal taxes.

Hon. Mr. Pope: I can give you a breakdown.

Mr. Martel: Do that for us.

Mr. Laughren: You are using figures very loosely here.

Hon. Mr. Pope: Look who is talking. I have never seen such a bunch of concocted figures as 17 cents on the dollar, 3.3 per cent return, the

figures you used; and you wilfully disregarded municipal taxes paid, retail sales tax paid and return to investors. You deliberately ignored all that because you did not want to present the true facts to the people of Ontario.

Mr. Laughren: Coming from Sudbury, it is very hard to accept the fact that the mining industry pays any municipal taxes. I would really like to hear what the figures are. Are we going to get those figures?

Hon. Mr. Pope: Sure, I will tell you how much Texasgulf pays to the city of Timmins.

Mr. Martel: We asked about Sudbury.

Mr. Laughren: But give us the Timmins figures, why not?

Hon. Mr. Pope: I will give them to you.

Mr. Laughren: All right, and tell us how much Inco and Falconbridge pay to the regional municipality of Sudbury.

Hon. Mr. Pope: Right.

Mr. Martel: And then tell us how much Ford pays in Oakville.

Mr. Laughren: And GM in Oshawa.

Hon. Mr. Pope: I can tell you that your 17 cents—

Mr. Laughren: And the Ministry of Natural Resources in Shining Tree.

Hon. Mr. Pope: Did we not take care of that yet?

Mr. Martel: We will get some on the food terminal, never mind.

Hon. Mr. Pope: That is right. I just think when you make these comparisons—

Mr. Laughren: Come on, keep going. I am waiting.

Hon. Mr. Pope: When you make these comparisons you might do—

Mr. Laughren: You used a ball-park figure too; you said it was nine per cent. We asked you for a breakdown and you cannot give it to us.

Hon. Mr. Pope: You did not even give them the nine per cent. You did not even tell them what the total tax picture was in the mining industry. You just wanted to use 3.3 selectively, which is the mining tax revenue only. You deliberately ignored all of the other contributions to the people of the province. That is a shocking way to present a comparison.

Mr. Martel: Yes, the comparison is shocking, is it not?

Interjections.

Mr. Chairman: Gentlemen, would you refrain from arguing? Each side has made the point. I would like the minister to proceed.

Interjections.

Mr. Martel: Mr. Chairman, I think you should make him withdraw the statement that we did not give the true figures. I am serious.

Mr. Chairman: Mr. Minister, proceed please.

Hon. Mr. Pope: The issue that was raised by the spokesman for the opposition with respect to junior mining has been under discussion with the Ministry of Consumer and Commercial Relations for some period of time, and I understand that there are a number of concerns with respect to junior mining exchange in Ontario that have yet to be worked out.

The exchange, as it now exists in British Columbia and to some extent in Quebec, has to some degree been successful and in other aspects has created problems. I think there has to be a middle ground where the requirements for new issues for junior mines can be altered somewhat to make it possible for junior mines to get listed and to attract additional investment. At the same time, we have to make sure that we protect the requirements for disclosure and the presenting of concrete and specific information in prospectuses and remove—

Mr. Haggerty: Are we talking about Suncor now?

Hon. Mr. Pope: No—any possibility for the attraction of capital on the basis of speculative statements. I think that is causing a concern in the securities industry that has to be addressed.

As I say, there has been some progress made. I think the new mining exchange, under certain circumstances, can be beneficial to the industry, but the Ontario mineral exploration program and some of the investment incentives we have been trying to give through that program have also had a positive impact. We would hope that some form of mining exchange can be agreed upon by all concerned.

I believe I agree with my friend from Nickel Belt, who is now my friend in this issue, in that I do not think the establishment of a separate ministry of mines would be an answer.

Mr. Laughren: Did you say you did not agree with me?

Hon. Mr. Pope: I do agree with you.

Mr. Eakins: I was supporting my friend Ed Havrot there.

Hon. Mr. Pope: I know, and he appreciates that support.

Mr. Laughren: That is not true. Havrot has no friends.

Hon. Mr. Pope: He just said he was his friend.

Mr. Laughren: He was mistaken.

Mr. Eakins: I think the whole assembly supported that resolution, as I recall, in principle.

9:50 p.m.

Hon. Mr. Pope: I thought some people spoke against it. However, be that as it may, I am not aware of any policy of the government right now to create a separate ministry of mines. I do think it would be counterproductive in terms of resource planning and resource allocation processes.

Mr. Laughren: The Liberal Party of Ontario wants to reduce the number of ministries, but create the ministry of mines and a ministry of tourism separately as well.

Mr. Eakins: You read it wrong. That is not true.

Mr. Laughren: It is true.

Mr. Eakins: It is a realignment and we do not have to have an increase in ministries. I believe one of the first responsibilities of my predecessor in my riding, who was the Honourable Mr. Frost, was as minister of mines and, as I recall, things thrived under him in that day.

Hon. Mr. Pope: I do think things are thriving right now in the mining industry.

Mr. Eakins: You feel they are thriving under your ministry.

Hon. Mr. Pope: Not necessarily having anything to do with me.

Mr. Eakins: They are not thriving; that is for sure.

Hon. Mr. Pope: With some exceptions, such as silver and zinc, I think the world market conditions have been encouraging. Some of the programs we have in place in the Ministry of Natural Resources have had some encouraging upsurges in activity of different kinds, and I think there are new mines coming on stream at various stages of development.

Mr. Haggerty: You think? You are not sure now?

Hon. Mr. Pope: Well, I can always be contradicted—

Mr. Haggerty: Name a few.

Hon. Mr. Pope: I just did as a matter of fact, Mr. Haggerty, about half an hour ago and I thought you were listening closely then.

Mr. Haggerty: I was hoping you were going to speak on that potash mine that may be developed someplace north of Cochrane. Tell us about that?

Hon. Mr. Pope: You mean Cargill township?

Mr. Haggerty: I do not know just what stage we are at on that potash mining development.

Hon. Mr. Pope: It is not potash; it is phosphates. Sherritt Gordon has extended its option on that property. I think they have been holding discussions with potential sources of sulphuric acid that exist in northern Ontario—

Mr. Haggerty: There are all kinds of that up there.

Hon. Mr. Pope: —and hope to be getting on with the production program.

Mr. Haggerty: No commitment from them as yet?

Hon. Mr. Pope: Decisions to make the investments to open up a new mining venture in the province are still private decisions that can be made by companies that own the property in question and it is up to them to make that decision. For instance, we were very pleased that Dome and Campbell Red Lake Mines made the decision to open up Detour Lake gold mine. I am sure, with the potential for it being one of the largest gold mines in North America, you are quite thrilled with that.

Mr. Haggerty: With the price of gold as it is now it is sure to be profitable for them, would it not?

Hon. Mr. Pope: That depends on their costs of production. A lot of people in the gold mining industry now are worried about downward fluctuations in the price of gold and increasing costs of production. Depending on the geology of the area, depending on the production costs, depending on the location of the site, it could or could not be profitable. But the analyses that Campbell Red Lake and Dome did with respect to that property indicated it would be. So they went ahead and made their investment decision to commit themselves to the development of that mine.

I mentioned the Nickel Offsets property on Highway 655. There are a number of other companies that have indicated they are going to get into development of gold and copper deposits to the west of Timmins in the riding of the member for Nickel Belt. There was a lot about it in the newspapers. I have not been that actively involved in those companies' activities

myself, but from what we read in the newspaper the potential exists.

Mr. Laughren: I told them to go ahead.

Hon. Mr. Pope: Good. So you told them to go ahead, and those kinds of decisions are being made all the time now in northern Ontario. As I say, one thing we like about it is that it is going to provide within the resource sector diversification, district by district, into both mining and forestry. We think that adds to the economic stability of the districts.

Mr. Haggerty: I thought with the phosphate and the sulphuric acid up there, and the great need for fertilizer in the clay belt, it might cut back on some of the cost of shipping it there. I was wondering why the government through its BILD program, if I can read through the small print about BILD, has not moved in that direction to give some encouragement to that area. It may improve the farming and reforestation. You could drop some fertilizer pellets out there and maybe you could get some of the trees moving.

Hon. Mr. Pope: Do you think with the soil conditions in the district of Cochrane that using potash fertilizer will be helpful?

Mr. Haggerty: It probably would; anything there would help.

Mr. Eakins: Those chips of wood that we see around the trees at Queen's Park come from North Carolina.

Hon. Mr. Pope: That is a rather exciting import industry. Anyway, in terms of some of the resource decisions and the competing resource needs, I think the interests of resource planning and the long-term interests of the mining industry lie within a single Ministry of Natural Resources. With the programs we have in place and others that are under consideration, the situation is a positive one and the mining industry is being well served by the Ministry of Natural Resources. There is a commitment in the ministry to do what we can to assist in its expansion and development and we have every reason to be optimistic.

There was a reference made by an opposition spokesman to a federal-provincial agreement on resource taxation. We think there is need to have certainty in taxation policies at the federal and provincial levels. That is why in my opening remarks, on about page 12, I referred to the fact that we were very concerned about a benefit being given in terms of tax incentives and grant incentives and then being taxed away by changes by the federal budget. We think that kind of

counterproductive activity does not serve the mining industry.

We have been discussing the matter with the federal government. We are hoping to have further discussions and that budgetary decisions on the federal level will be taken after consultation and with some due regard being given to the policies of the provincial government and the needs of the mining industry. I do not think that has always necessarily been the case. We talked about more airborne geophysical surveys. We are going to be continuing that program into new areas of the province and are hopeful that will lead, as it has in the past, to increased exploration activities.

A mining machinery industry is something that has been discussed for a number of years and referred to by the opposition spokesmen. It is one of the commitments in the BILD program, and I think it is something that can be of assistance. I would like to stress that there has been an expansion in the mine machinery industry in different parts of northeastern Ontario based on the upsurge of exploration and development activity particularly. I know a number of mine machinery companies have expanded into other facilities and are employing more people.

Nevertheless, in the mining equipment end of things I think there is a continuing need for new technology and that technology can be developed by the people in northeastern Ontario who are involved in the mining industry. There have been some good developments, but there can be more. We have to encourage the mining machinery industry in northern Ontario to continue to expand and develop.

A number of new pieces of equipment have been invented in the last few years that have had a positive impact in terms of the cost of harvesting in the forest industry, and we think there can be a similar effect on the mining industry.

I do not understand the comment about legislation to provide that the staking and recording of a mining claim is sufficient title to begin a small-scale mining operation. I am not sure what that is in reference to. I think there has to be a program whereby we can monitor the development activities on mining claims, patented or unpatented, and, based on that information, make a decision with respect to the development of mines in the area, particularly in some parts of northern Ontario where there is a real conflict between the surface users and the exploration companies and mining companies.

Those kinds of planning problems essentially have to be ironed out.

10 p.m.

Mr. Martel: Why didn't you adopt the select committee report of 1974 on that?

Hon. Mr. Pope: All I can say is that we are now working on revisions to the Mining Act. I hope that in a very short period of time you will be able to comment on some proposals that will be contained in the new Mining Act and compare them to the 1974 recommendations. There have been a number of groups working on proposed amendments to the Mining Act for some time now, and we think it is time to issue proposed legislation and have it out for comments.

Mr. Laughren: This fall?

Hon. Mr. Pope: I am hoping it will be, but I cannot guarantee it. We have been working in the ministry and doing a lot of reviewing and thinking about some of the issues that have to be addressed in the new Mining Act.

Mr. Martel: Do you want me to come over to help you and speed up the process?

Hon. Mr. Pope: I have been making some of my own recommendations with respect to changes I think are needed, based on some of my experiences in the mining communities and some of the conflicts there. There are a number of issues with respect to the development of new mines. The reason we have sort of a drag on that—I think that might be what you are referring to—is to take into account some of those other concerns.

I think our mining exploration and development program, with some encouragement from the Ministry of Natural Resources, has resulted in a better situation in Ontario than is the situation in Quebec. The comparisons are there. The mining exploration activity in ours does not indicate a need to change the program.

Those were some of the comments I had with respect to mining. I also wanted to include tonight, if I could, some of the concerns the two opposition spokesmen had with respect to planning.

Mr. Laughren: Excuse me. Is that all you are going to say on mining? Do you want me to wait, or would it be appropriate to ask the minister why he has not responded in a couple of areas? Mr. Chairman, I seek your guidance as always.

Mr. Chairman: Thank you, Mr. Laughren. I would prefer that you permit the minister to

conclude his statement. When we get into votes, I am sure you will bring these matters up.

Mr. Laughren: Yes, but the minister is responding, and I did not understand whether he is responding to both opposition critics at once, or whether he is dealing with the Liberal critic now and will deal with me later because he certainly has not answered my questions.

Mr. Chairman: It is my understanding he is responding to both opposition critics at once.

Mr. Laughren: Good Lord!

Hon. Mr. Pope: I am trying to tie you all together, but I will try to cover all of your comments.

Mr. Laughren: You haven't touched anything yet. I am waiting.

Hon. Mr. Pope: I thought I had.

Mr. Laughren: No, you have not.

Hon. Mr. Pope: I thought our Saskatchewan discussion had—

Mr. Laughren: Oh, the revenues. You dealt with that.

Hon. Mr. Pope: Right.

Mr. Laughren: You did not deal with the one-industry town problem. You did not justify the exemptions to Falconbridge and Inco.

Hon. Mr. Pope: I was talking about mining machinery, wasn't I? I think you raised that.

Mr. Laughren: You talked about mining machinery, although—

Hon. Mr. Pope: I have that as point number five in your discussion.

Mr. Laughren: I think we are in Alice in Wonderland here. Do you want to talk about the one-industry towns later?

Hon. Mr. Pope: I tried to indicate we hoped that our programs in place would encourage a diversification of resource activity in both mining and forestry.

Mr. Laughren: What has that got to do with planning for the future when the resource runs out?

Hon. Mr. Pope: I thought you asked about one-industry towns.

Mr. Laughren: Oh, I see, you are going to turn them into two-industry towns.

Hon. Mr. Pope: I addressed myself to that concern.

Mr. Laughren: Gee whiz.

Hon. Mr. Pope: You do not think that is progress? That is unbelievable. Do you mean you would rather stay with one-industry towns?

Mr. Laughren: This is pitiful. Do you know why that is not progress? Because when it comes to forestry, you turn that into a mining operation, too, and it cannot be regenerated. That is why it is not progress.

Hon. Mr. Pope: That is your opinion.

Mr. Laughren: History is on my side, not yours. In forestry it is.

Hon. Mr. Pope: So you do not want two-industry towns. Is that what you are saying?

Mr. Laughren: What a silly minister you are at times.

Hon. Mr. Pope: I may be silly, but I heard you say, sarcastically, "You are going to turn them into two-industry towns."

Mr. Laughren: Because that is what you are telling us. I do not call that progress.

Hon. Mr. Pope: Do you not think that is progress?

Mr. Laughren: Is that the solution to the problems of one-industry towns in northern Ontario? Is that what you are telling us?

Hon. Mr. Pope: What is your solution?

Mr. Martel: When are you going to do something? You have given us a very esoteric comment. Now tell me what you are going to do.

Mr. Laughren: I do not know—

Hon. Mr. Pope: I know you do not know. I am just trying to tell you.

Mr. Laughren: I don't know what you are trying to do when you say the solution of one-industry towns is to turn them into two-industry towns.

Mr. Martel: How are you going to do that? Give us some examples.

Hon. Mr. Pope: I am just trying to say—

Mr. Laughren: You know what I am saying. I do not know what you are trying to do when you say that we have decided that the solution to one-industry towns is to turn them into two-industry towns.

Mr. Martel: How are you going to do that?

Hon. Mr. Pope: You do not think that is a solution?

Mr. Laughren: No. You need more than two industries in the community.

Mr. Martel: Tell us how you are going to do it.

Mr. Laughren: You need more than two industries in a community, especially the way you run forestry in this province.

Mr. Martel: How are you going to do it? Just enlighten me a little.

Hon. Mr. Pope: You missed the major part of my address, with which the member for Nickel Belt is completely in agreement, namely, the activities that the various mineral programs of the government are attempting to encourage. I think they have had a positive impact in encouraging development and exploration and prospecting activities in every region and district of northern Ontario. We think that the potential exists for new mining development.

Mr. Martel: That is still extraction. What are you going to do beyond extraction?

Hon. Mr. Pope: Do you not want the mining industry?

Mr. Martel: Don't try to put me in that position. What are you going to do beyond extraction? We have had 100 years of that and nothing has really changed.

Mr. Laughren: You cannot ask questions like that.

Mr. Martel: What are you going to do with the extraction? Are you going to refine all of it in the north? Are you going to manufacture some of it in the north? Is that what you are going to do? Tell us.

Hon. Mr. Pope: You are talking about what is going to happen in the context of Sudbury with further processing at Inco and Falconbridge.

Mr. Martel: No, I am talking about right across northern Ontario.

Hon. Mr. Pope: You are talking right across the north. Do you agree with our custom gold mill program?

Mr. Laughren: It would be helpful if the minister could give us examples of these communities that are going to go from one-industry towns to two-industry towns. Maybe that would put it into perspective.

Hon. Mr. Pope: How about Kapuskasing? If we develop the phosphate deposits in Cargill township?

Mr. Laughren: A good idea.

Hon. Mr. Pope: Wouldn't that be of great benefit?

Mr. Laughren: I would like to see that very much.

Hon. Mr. Pope: There is an industry in the town of Kapuskasing which now depends on the pulp and paper industry.

Mr. Laughren: Right.

Hon. Mr. Pope: We are trying to develop some mineral potential in that area.

Mr. Martel: How about Iroquois Falls?

Hon. Mr. Pope: How about the Kirkland Lake area with stud mill and waferboard plants in that area as well as mining activities? Wouldn't that be helpful?

Mr. Laughren: They are all right around where you live. Expand your horizons a bit here.

Hon. Mr. Pope: How about Gogama?

Mr. Laughren: Is it a wild rice industry?

Hon. Mr. Pope: Would you like to see that there?

Mr. Laughren: Yes, but I know your history on wild rice too.

Hon. Mr. Pope: Would you like to see that there?

Mr. Laughren: In Gogama?

Hon. Mr. Pope: Yes.

Mr. Laughren: Will you provide some industrial assistance and development for the wild rice industry?

Hon. Mr. Pope: Would you like me to issue a licence?

Mr. Laughren: Yes, but not to your friends.

Hon. Mr. Pope: Whose friends? I don't have any—

Mr. Laughren: Yours.

Hon. Mr. Pope: I do not know anyone in Gogama.

Mr. Laughren: Like the Lanark wild rice people.

Hon. Mr. Pope: Oh, my friends, whom I have never met.

Mr. Laughren: Yes, the people up around Kenora.

Mr. Martel: What is Ben's last name?

Hon. Mr. Pope: What a nonsensical statement. I have never met the man.

Mr. Laughren: You were the one who suggested you were going to issue licences.

Hon. Mr. Pope: I have given you just a few examples of—

Mr. Martel: You have given me nothing. You say nothing.

Hon. Mr. Pope: You say nothing.

Mr. Martel: Oh, God.

Hon. Mr. Pope: You would not accept good news if it was given to you anyway.

Interjections.

Mr. Chairman: Gentlemen, I really think that—

Mr. Eakins: Mr. Chairman, I wonder if the

minister could finish whatever reply he has to the opening statements. Then perhaps at our next meeting we can get into vote 2501 right away. I think that in whatever time is left today the minister might finish his reply.

10:10 p.m.

Mr. Martel: He was finished a long time ago. He is just filibustering now.

Mr. Chairman: Perhaps Messrs. Laughren and Martel would please try not to bait the minister and the minister would please try not to be argumentative.

Mr. Eakins: We want to get on with the Natural Resources estimates as they affect all Ontario. We have a lot of southern Ontario topics also. I hope we will be able to get right into vote 2501 at our next meeting.

Mr. Chairman: Proceed, Mr. Minister.

Hon. Mr. Pope: The other issues that the member for Nickel Belt (Mr. Laughren) raised with respect to a number of issues affecting our native people have to be discussed.

Mr. Laughren: Yes.

Hon. Mr. Pope: We have indicated on a number of occasions, and followed up with correspondence to that effect and provided documentation, that we feel the future for hunting and fishing and management of the fish and wildlife stock lies in some agreement between ourselves and the native peoples' organizations in terms of utilization. We have indicated to them that co-management, under the terms that it was originally proposed by them, would be something on which they could form the basis of some settlement of these outstanding issues.

We then proceeded to develop our own concept of co-management and put it before the meeting. That concept was not accepted by the native people. In the meantime, we have provided them with the studies on fish stock and wildlife problems, as we see them, that could affect the number of fish caught and the amount of game taken in particular areas of Ontario that are under some stress. We have asked them to study those documents and give us their own ideas as to the extent of the problem, with any information they might have at their disposal.

We have indicated, as well, that we would be prepared to consider the use of band bylaws to bind members of the band located in different parts of Ontario, having those bylaws passed by the local band councils and then filed with us, provided we have a mechanism for resolving

differences in the substance of the bylaws. We have said that we were interested in working with band organizations with respect to policing the limits contained in band bylaws.

We think we cannot have an open-ended system for hunting and fishing. We have to have some agreement with the native people on the need for some control. We believe the way to do it involves both the bands on a very individual basis and their control of others in the bands who would not respect the band bylaws themselves.

Mr. Laughren: It might help if you met with them.

Hon. Mr. Pope: I have met with them quite often as a matter of fact.

Mr. Laughren: When is the last time you met with the tripartite council?

Hon. Mr. Pope: The tripartite council or the cabinet committee on native affairs?

Mr. Laughren: The tripartite council.

Hon. Mr. Pope: So the cabinet committee on native affairs should not be discussing hunting and fishing?

Mr. Laughren: Who said that? All I am asking you is when was the last time you met with the tripartite council?

Hon. Mr. Pope: I have had three meetings with the native peoples' organizations and the cabinet committee on native affairs. I have met with Mr. Justice Hartt on four occasions. I have met individually on two occasions with Robin Greene when he was grand chief of grand council Treaty No. 3. I met on two occasions with Treaty No. 9. I have met with the Association of Iroquois and Allied Indians of Ontario on two occasions with respect to this matter. We have put our position on the record to them in writing so that they could discuss it among their various chiefs. We hope that the matter will merit some further consideration from them.

We understood there was a problem from their point of view on where they stood as to both treaty rights and aboriginal rights; and that there is uncertainty on their part how to specifically define those rights in some controlled fish-and-hunt system and in some band bylaw proposals and policing proposals. We think there have to be some further discussions directly with them to arrive at some conclusions on a system that we can both accept.

Mr. Laughren: Do you know when the

mandate of the tripartite council ends? Is it not next September?

Hon. Mr. Pope: Yes, and I know that.

Mr. Laughren: They have been trying desperately to have a meeting with you and you will not meet them.

Hon. Mr. Pope: Come on.

Mr. Laughren: It is true. When was the last time you met with them? Answer that question.

Hon. Mr. Pope: We will get you the date.

Mr. Laughren: I can tell you the date.

Hon. Mr. Pope: When was it then?

Mr. Laughren: A year and a half ago.

Hon. Mr. Pope: You do not admit that all of these other discussions have some relevance to the tripartite council?

Mr. Laughren: They probably do, but you must meet with the tripartite council.

Hon. Mr. Pope: We are having direct discussions with the treaty organizations with respect to some basic local issues. Do you not think that is progress?

Mr. Laughren: Of course, but why does that rule out the necessity of meeting with the tripartite council? Surely that is important.

Hon. Mr. Pope: It is important and we are going to do it.

Mr. Laughren: You cannot continue to ignore them.

Hon. Mr. Pope: I am not ignoring them.

Mr. Laughren: You are.

Hon. Mr. Pope: How can I be ignoring them when I have the treaty organizations in to have these discussions?

Mr. Laughren: The tripartite council is set up for a specific purpose, right?

Hon. Mr. Pope: Yes, and it is having some difficulties.

Mr. Laughren: It is having some difficulties, and you are not making it any easier for them.

Hon. Mr. Pope: Some people, not me, think that does not happen to be the forum to resolve some of these issues, and I am willing work with whatever forum or whatever multitude of forums are needed.

Mr. Laughren: Why didn't you tell them that right at the beginning?

Hon. Mr. Pope: Why didn't I tell whom?

Mr. Laughren: The tripartite council people.

Hon. Mr. Pope: I am not the one who has been saying it.

Mr. Laughren: I thought you were saying you did not think it was the right forum.

Hon. Mr. Pope: I have not been the one who has been saying that.

Mr. Laughren: I thought you said that, I am sorry.

Hon. Mr. Pope: No, I did not.

Mr. Laughren: But you still will not meet with them.

Hon. Mr. Pope: Of course I will meet with them. Every time I have been asked to have a meeting, I have placed—

Mr. Laughren: The council?

Mr. Chairman: Mr. Laughren and Mr. Pope, I would appreciate it if you would discontinue your arguments.

Mr. Laughren: He is playing games.

Hon. Mr. Pope: You are playing games.
Interjections.

Mr. Chairman: Would you proceed with the minister's reply which will be uninterrupted?

Hon. Mr. Pope: You will not admit that extended consultation has been going on with the treaty organizations.

Mr. Laughren: I told you I thought that was progress.

Hon. Mr. Pope: Good. I am glad you have admitted that.

Mr. Laughren: Now answer the question. Why will you not meet with them?

Hon. Mr. Pope: I will meet with them.

Mr. Laughren: Before the end of this year?

Hon. Mr. Pope: Fine.

Mr. Chairman: If we cannot get some order in the committee, then I see no alternative but to adjourn and that really will not accomplish anything. Perhaps we can get through with the minister's reply this evening and get into the votes on Thursday morning.

Mr. McGuigan: May I have a supplementary here and maybe change, not the subject, but the direction. Mr. Minister, you say you had discussions with various Indian bands. I certainly do not know much about the northern Indians, but did you have any discussion with the Moravian people about co-management—

Hon. Mr. Pope: Yes.

Mr. McGuigan: —and about policing before you went in with the 21 officers?

Hon. Mr. Pope: No, not before.

Mr. McGuigan: You have gone in to a group of Indians who have a reputation for being a most peaceful group of people who get along well with their neighbours. The basis of that Indian reserve was a religious organization that started about the 1790s. Those people have got along with their neighbours very well. I certainly feel very badly about the fact that you went in with your officers before you had these discussions and before you offered them some chance at policing. It seems to me you have undermined the chief in this particular case.

At the present moment, they are just incensed. I really hesitate to think what is going to happen there next spring when the fishing business comes up again. I tried to talk to them to be peaceful about it, but they are in no mood to be peaceful.

It seems to me if you had gone in with some co-management suggestions, you could have enlisted the help of the chief who is a pretty reasonable man, but who is now probably backed into a corner. You have taken away a lot of his chances for manoeuvring. He now has to be political. I really think you should make some gesture towards those people before spring rolls around.

Hon. Mr. Pope: We have had a number of meetings with that band and with the organization to which they belong and also directly with the chief concerned on two occasions. We have reiterated to him and to the various representatives who have met with me on his behalf our hopes with respect to management of resources and we have indicated we would like to work with them on a co-management system.

With respect, I think our position on fishing and trapping law enforcement has been made clear since Mr. Auld made his statement in the Legislature on October 21, 1980. I believe he had a number of discussions with the treaty organizations and the bands involved in this matter. This issue came to the fore in the House during the debate on the motion for second reading of Bill 59, An Act to amend the Fish and Game Act. Mr. Renwick of the New Democratic Party raised a number of issues with respect to the hunting, fishing and trapping rights of native people in Ontario.

Mr. Auld endeavoured at that time to set out his policy as he saw it, and he also attempted to indicate that we would have a policy of restraint and enforcement. I think, generally speaking, that policy has been followed. If you examine the number of charges to the end of June or

mid-July, I think there were 21 charges with respect to native people.

10:20 p.m.

Some of the issues surrounding the charges, such as seizure and confiscation of nets and equipment, were resolved in discussions with the chiefs and grand chiefs involved. Some others, unfortunately, could not be resolved. We did attempt to resolve the one at Cape Croker. Unfortunately, we never did get a final solution to that one.

Mr. McGuigan: In that Moravian issue, there were only two people involved in the illegal taking. The people were certainly under the impression, created by all, that there would be no movement of enforcement officers on to the reserve without their permission. Then, suddenly, for the sake of two violators, 21 officers arrive and treat the chief pretty badly, affecting his feelings and his political position with his own people.

It seems to me that perhaps as some last resort that might have been justified, but not as a sudden change from the administration of one minister in whom they had a great deal of trust and a policy they relied on. A new minister comes along and I would have to think—I am not generally a cynical person—a new minister saw an opportunity to show his authority a long way away from his own backyard and acted a bit precipitously in that case. I suggest if you really want to get back to a working relationship with those people you should apologize for that raid last spring.

Mr. Laughren: A major blunder.

Hon. Mr. Pope: I do not think you have any need to be cynical. It was not a power play in someone else's backyard.

Mr. McGuigan: Excuse me, but it kind of looks that way from where I stand.

Hon. Mr. Pope: A number of issues involving the native people have relevance in Mr. Laughren's riding, next to my own, and also in the district of Cochrane. Grand Council Treaty No. 9 is very active in my community.

Mr. Laughren: They have never seen an invasion like that though.

Hon. Mr. Pope: Oh, an invasion.

Mr. McGuigan: That is my point, Mr. Minister. You had trouble in your backyard, but you attacked in mine.

Hon. Mr. Pope: I am sorry, that is not the case. In fact, there have been charges laid throughout Ontario with respect to some native

people's activities and it has not been concentrated in your backyard or in Mr. Laughren's backyard or in Mr. Stokes' backyard.

Mr. Laughren: Have you ever sent 21 officers in before?

Hon. Mr. Pope: There have been different incidents occur in different parts of Ontario. Mr. Auld made it very clear that in terms of constraint or restraint policy, officers would not on their own be entering on to reserved lands and that they would do so only with the permission of the chief or with the written authorization of the minister.

Mr. McGuigan: They certainly felt the minister would not give that authorization unless there was something very serious. I do not think you could say that two people represented a very serious threat to law and order.

Hon. Mr. Pope: This specific circumstance started off in another jurisdiction with the arrest of some people and the seizure of a truck, and some work had taken place in that jurisdiction. We received some communication from that jurisdiction with respect to the nature of the operation. We thought it was a major operation from the seizures which took place in the other jurisdiction and we felt this was the way to handle it.

The circumstances you are talking about with respect to the chief should be clearly put on the record because I discussed them with him. His problem, first of all, was my signing of the order and, second, the fact that he was not allowed entry into the house where the officers had entered. In retrospect, there should have been some accommodation made for him to approach the premises in view of what was going on. If we had to do it again, we would probably do that.

There was some concern with respect to the individual in the house and what the consequences of entering into the house might be. That had some influence on the number of people involved, and those fears turned out to be justifiable.

I do not think it is appropriate to get into much of a discussion about it, but they had to make a decision at the time as to the best way of safely entering the premises for the purpose of gathering evidence and not allow the situation get out of control.

Mr. McGuigan: I do not see how the ministry could say it was justifiable. There was no use of firearms or weapons.

Hon. Mr. Pope: I am sorry, you are wrong in that. But I did not want to get into that. The

situation, in the judgement of the people who were involved with enforcing order, was that these kind of measures were necessary. As I say, in retrospect, they had some basis—

Mr. McGuigan: Nothing was brought out in the trial that would indicate any use of—

Hon. Mr. Pope: No, but those circumstances were reviewed with the chief. We had a discussion on that, and he indicated his dissatisfaction to me. We had in a number of other chiefs from the area to discuss the matter, and they indicated their dissatisfaction that I would, first of all, sign the order and, second, have that number of people present. I indicated our thinking behind what we had done, and it is fair to say that his point of view is as you have reflected it. It was an unfortunate circumstance, but one in which I felt it was a necessary step for us to take.

There had been a lot of background activity to that. There had been some investigations going on for some time and, as I say, there was another jurisdiction involved. There was clear evidence of a commercial operation.

Mr. McGuigan: It may be that they felt it was a dangerous situation, but it did not develop. It seems to me, Mr. Minister, as you say, in retrospect you might have done things differently.

Hon. Mr. Pope: I might have let the chief into the house to see what was happening.

Mr. McGuigan: It seems to me that you could salvage the situation and make it a whole lot easier to deal with by next spring with conciliatory words to that band and to the chief. It would not hurt your position to do something of that nature.

Mr. Chairman: Mr. Minister, what stage are you at with your reply to the opposition critics?

Hon. Mr. Pope: Mr. Laughren was quite correct in indicating there are a number of issues he had raised that I had not addressed myself to yet. We are just starting on native people with respect to the fishing and hunting, and then there is the wild rice issue, the headlands issue that he raised, and some of those concerns.

He also had a number of questions about planning on which he wanted some response from me, and so did the official opposition spokesman, Mr. Eakins. What I wanted to do was spend a little more time on a couple of the native people issues to give some perspective and also deal with the planning issues which were raised by both critics in their initial comments.

Mr. Eakins: So you will require some more time.

Hon. Mr. Pope: I will try to wind up in an hour.

Mr. Chairman: We are going to be meeting on Thursday morning at 10 a.m., on Thursday evening at 8 p.m. and on Monday evenings from now on until the estimates are completed.

I would appreciate the co-operation of committee members on Thursday to save their questions until after the minister has completed his reply. We only have approximately 11 hours left of the 18 we started with and we still have to go through our five votes. I anticipate that the first vote, as usual, will have questions on far-ranging matters. If you insist on asking questions during the minister's reply, and there continues to be argumentative discussions on the same, then in the long run you are really only hurting yourselves with respect to the questions you can ask on a number of votes.

The committee adjourned at 10:30 p.m.

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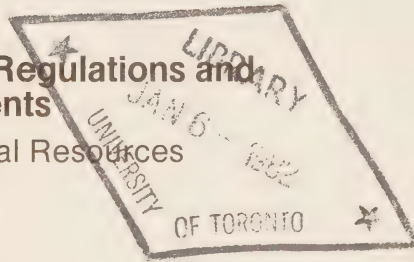
No. I-4

Legislature of Ontario Debates

Official Report (Hansard)

**Standing Committee on Regulations and
Other Statutory Instruments**

Estimates, Ministry of Natural Resources



DEPARTMENTAL LIBRARY MATERIAL

First Session, Thirty-Second Parliament

Thursday, November 19, 1981

Morning Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Thursday, November 19, 1981

The committee met at 10:06 a.m. in committee room No. 1.

ESTIMATES, MINISTRY OF NATURAL RESOURCES (continued)

Mr. Chairman: We would appear to have a quorum here this morning. We may as well get started with the completion of the minister's reply to the critics' opening statements.

Hon. Mr. Pope: I will try to speed up some of my comments. I tried to address myself to the remarks of the spokesmen for the opposition party, and I dealt with some of the remarks of Mr. Laughren. There are some others I thought I should expand upon.

Mr. Laughren: You do have many of them.

Hon. Mr. Pope: Yes, there are a number of other issues. What I may do, if I can, just to get it out of the way in case I miss it later on, is deal with the issue of the Chapleau Lumber Company. Why don't we deal with that?

Mr. Laughren: Good.

Hon. Mr. Pope: Mr. Laughren raised a question in the Legislature a couple of weeks ago about the closing of the Kormak and Island Lake sawmills, which involved notice having been given with respect to the housing in those communities. I indicated to the honourable member that I would look into the matter and try to get some facts together to assist him.

I understand that there are no houses left at Kormak. Is that right?

Mr. Laughren: Basically that is true.

Hon. Mr. Pope: So it is the Island Lake tenants we have to deal with then. After you raised the issue in the House, I had our people contact the company to try to find out what was going on and to advise them of the concern on your part and on ours with respect to those workers.

We have been told that eight form six notices were issued under the Landlord and Tenant Act. Four of them were to bushworkers. One was to Mr. Fitzgerald. I understand the company and Mr. Fitzgerald have not been seeing eye to

eye on a number of issues, and that has created some problems. One was to a worker who was on workmen's compensation. The company has indicated that it will not be asking him to vacate, so he will not have a problem. Two other workers who were served with notices have already received employment elsewhere in that area.

Mr. Laughren: These are eviction notices.

Hon. Mr. Pope: Yes, under the Landlord and Tenant Act.

They say there are 12 other unemployed people at Island Lake who have not been given notice as the company plans on rehiring them as soon as freeze-up occurs. I guess they are to be put into bush work. Those 12 families were not given notice.

We have indicated our concern to the company, and we hope some of the issues can be resolved. My experience, for what it is worth, has been that it is very difficult to get actual court orders for eviction during the winter months in northern Ontario, and that the likely prospects are that vacant possession will be ordered by the court sometime in the late spring. However, that does not solve the problem of these families having those notices hanging over their heads.

Mr. Laughren: They have already been directed to go to court.

Hon. Mr. Pope: Yes.

Mr. Laughren: They are at that next step in the process.

10:10 a.m.

Hon. Mr. Pope: Yes. We have asked the company to look at the possibility of extending the notice period for these people.

Mr. Laughren: They are not doing so.

Hon. Mr. Pope: I am just telling you what we have done. I cannot order them to; I do not have that kind of authority.

I have indicated your concern to the company. I know that Mr. Fitzgerald is very dissatisfied with the circumstances surrounding his termination, but the company takes a different point of view. I guess there is no point in getting into that here. I understand that Mr. Fitzgerald and

the company will probably never see eye to eye on their relationship.

What I have been concerned about is the four bushworkers. If 12 other unemployed people are going to be rehired as soon as freeze-up comes, I would hope these other workers receive some consideration from the company. I have urged the company to act in that direction and I will continue working on it.

I would love to have some of those court proceedings stayed and I have so advised the company. They seem to be pretty adamant with respect to Mr. Fitzgerald, and I guess he feels the same way about the company. I do not think I will be able to help there. I will continue to do my best, but I can only repeat that I have been told the eight notices have been served. That is the information I had.

The situation, generally, with respect to Chappleau Lumber Company Limited, Island Lake Lumber Company Limited and Kormak Lumber Company Limited, revolves around a merger of bush and mill operations. Apparently, they want to have a new company called Chappleau Forest Products and to do their manufacturing at the former Chappleau Lumber Company mill in Chappleau.

They are planning to close and dismantle the sawmill at Kormak, and the sawmill at Island Lake is to be closed indefinitely, according to them. When we requested information, they gave as their reasons the current lumber market problem and some long-term production cost problems. They feel the most efficient way to carry on is to merge the three operations. In their view, the situation was severe enough that in the long term they did not think they could carry on with three separate operations.

I reiterate what I advised you in the House, that we have not seen any application for a merger or for an amalgamated company. It has not crossed my desk as yet. I have alerted the people in my ministry that I want to see some representations with respect to employment in that area as it may be affected by the merger, and I want that information in my hands at the time we look at the merger proposal of the company.

Mr. Laughren: They have to come to you on that, do they?

Hon. Mr. Pope: They do not have to come to me on the manpower, but they have to come to me if the licence is in a different name.

Mr. Laughren: What if they just go on merrily

the way they are, operating as a merged company and there is no transfer or anything? Do they have to come to you then?

Hon. Mr. Pope: If they change their corporate structure, they have to make application. That is my understanding from our legal branch. If they get into a merger agreement and just continue on as separate companies operating under that merger agreement, perhaps they do not have to apply. But I would suspect that would cause some considerable difficulty for the other two companies if they did not do so. That is my impression of it. We will keep an eye on it, and if we do not receive any application, we will try to find out what is going on and report back to you.

Mr. Laughren: I never felt from the beginning that they should necessarily be refused the right to merge.

Hon. Mr. Pope: I understand that.

Mr. Laughren: I am really concerned that a merger can be used to transfer limits and that employees should be treated that way. The Kormak situation is really a disgrace. That would not have happened if it was not an isolated community. It would not be allowed to happen. Society does not accept that kind of nonsense any more, just kicking them out and bulldozing the houses to the ground. It is really incredible. Do they have to get a fire permit to burn them? Not likely. It is as if we were back in the 1800s the way they are behaving.

I am sure everything they did was probably legally acceptable. They probably did not break a single law, and that is what is so frustrating about it. It is the same with these eviction notices. I tell those people, "Ignore those eviction notices until hell freezes over. I would not move."

Hon. Mr. Pope: My only advice to them would be if there are going to be court proceedings, given the history of the matter, someone—even one of them—should go and explain to the judge the layoff situation and the fact that they have nowhere else to go.

Mr. Laughren: They put that in writing already.

Hon. Mr. Pope: Did they?

Mr. Laughren: When Falconbridge got into a dispute over the seven shifts, the Attorney General assigned people to look after Falconbridge, as it were. I do not see this happening with the workers in those communities. The scales are hardly balanced, at least I have never

thought they were, but nobody moves in to help people in a situation like this. They were played pretty fast and loose with on the reasons for their job terminations, too, whether the company wants to admit that or not. There are people being denied unemployment insurance in there because of the way in which they quit. It was inevitable, they were losing their jobs anyway, but for them to be denied unemployment insurance because the UIC has ruled they quit rather than were laid off is really shabby.

Hon. Mr. Pope: One thing I did was indicate to the legal aid director that there may be a problem in that area with respect to the landlord and tenant matter. I talked to him just last weekend. I guess it was Saturday.

Mr. Laughren: In Toronto?

Hon. Mr. Pope: No, up in Timmins. It is not in the district of Cochrane, so he would have to transmit the message to the district of Sudbury. I did indicate to him I thought there was a problem coming there, that these people should have some legal counsel available to them and maybe someone could look into it. I will try to find out, from that point of view as well, what is going on when I go up north on Friday afternoon.

The employment picture, as we see it, does give us some cause for concern. The information we got about the pre-merger employment levels was as follows: Kormak Lumber bush labour, 50; Kormak Lumber nonbush labour, 64; Island Lake Lumber bush labour, 22; Island Lake Lumber nonbush labour, 64; Chapleau Lumber bush labour, 18; and Chapleau Lumber nonbush labour, 66. We have about 194 nonbush employees involved. We have to be concerned on the information we have that the post-merger, nonbush level may be as low as 54. So there is a fairly substantial reduction there.

My information is that the bush labour would probably not be affected by the merger in terms of their bush operations, but that is complicated by the fact that, because of the markets and the building up of inventories in the yards, they are cutting back on their bush operations at the same time. The situation could be better there, but we will try to continue to get more information on it and do what we can to help some of the workers.

As I indicated in general terms to Mr. Stokes the other day in the Legislature, we are looking at some programs in different areas with respect to silviculture and some other preparatory and scarification work we think has to be done. We

are looking at options of peeding up or phasing in those programs in different regions of the province, and we are trying to tie that into the best information we can get about employment problems.

Mr. Laughren: If you could talk Claude Bennett into building some houses it might help too.

Hon. Mr. Pope: That is all I can helpfully give you at this present time, other than to say that I am going to pursue it. We are concerned generally about the picture in the sawmills, although thankfully some of the mills have already started to call back their workers. Mallette Lumber in Timmins called back their workers about 10 days ago and are now back into full production, based on some upswing in the American market in the last couple of weeks and some placement of new orders. But we still have some problems in certain locations, including Chapleau, with that situation continuing.

We are going to have to try to assemble all this information, which we are trying to do now, on the employment picture in the sawmill industry and try to adjust our programs accordingly.

I thought the other matter I should spend some time on today was some of the planning issues. There has been some concern with respect to parks planning, and I would like to give a little bit of background to this. You can take out your questions and we can get into this a bit.

10:20 a.m.

We had a couple of planning programs in place. First of all, we had a number of levels within the ministry involved in different aspects of parks planning. We had district managers making district decisions with respect to park reserves and we also had the head office parks branch making some decisions with respect to potential park sites.

To try to get our province-wide parks priority straightened out, we engaged in a parks planning process a few years ago. At the same time, in 1972, we started the elements of the strategic land-use planning program. You will recall that because you sat on the northeastern Ontario committee in 1974—

Mr. Laughren: I certainly did.

Hon. Mr. Pope: —that had a look at some of the organizational elements of that program. One of the things it was recommended we proceed with in the mid-1970s, I understand, was some open houses and display centres for people in different communities in northeastern

Ontario to deal with some of the elements of planning—what we were hoping to do—and some of the regional strategies we wanted to discuss with the people.

Anyway, getting back to parks planning, we had the parks planning program going on. We had the strategic land-use planning program going on since 1972. They were a little out of kilter, so last spring we talked about merging them so that we would get the parks issues on the floor at the same time for public discussion and in synchronization with the strategic land-use planning program. It then became a question of how to merge these two programs. We were not stopping parks planning.

Mr. Laughren: You discovered how; you abandoned one.

Hon. Mr. Pope: No, we did not. In fact, the parks planning people have been involved not only in the strategic land-use planning program—and you will see that from the background papers and from the papers that will be released this spring which will contain some of the general regional principles of planning we want to adopt—but they also got involved in the examination of the Spruce River Road forest management agreement. At the same time, we had personnel who were looking at strategic parks planning for existing provincial parks. We have 131 of them. I think we have completed around 20, and there are another 28 or so in process.

Mr. Eakins: Did you say the elimination of parks planners?

Hon. Mr. Pope: No.

Mr. Eakins: There has been no elimination?

Hon. Mr. Pope: No. All that is happening is that we are trying to get them to work on a merged program of parks planning and strategic land-use planning. What I am saying is that, added to that, we also had a number of people engaged in strategic parks planning on existing provincial parks and we have a certain number of existing parks done and a certain number of others in process. In the last couple of months, because we want to get strategic land-use planning wound up by the end of next year, we have decided we want our parks people who are now doing the strategic planning for existing parks to help us on the strategic land-use planning program. That includes district parks people and regional parks people. We have been asking them for their help and input into the strategic land-use program because we have some time problems.

Some people may say we are rushing the program, but we started in 1972. I think we have to get some finality to it, we have to get some of these conclusions out before the people for examination; that has been our priority. If we are to carry on with the process, we still have to continue to allocate resources.

There are timber licences out there that have been out there for decades. The companies are still going to continue to harvest timber. We are still going to have new mines applying to open. We have to carry on business, but we would like to carry on business with the help of the strategic land-use plan being in place.

Again, it is a year and three months or so away, but that is why we want to get started in the spring to lay before the people, in open houses and public displays and in discussions, the elements or the principles of regional planning that we are going to incorporate into strategic land-use planning. With their efforts and their help in the different districts, we are hoping we can get these projects going, get the plans before the people and have available for discussion in open houses with groups who are interested some of the decisions or proposals we would like to put before the people.

Mr. Laughren: I am sorry, I do not mean to be thick, but what does that have to do with your abandoning the parks master planning process?

Hon. Mr. Pope: I have not abandoned the parks master planning process, not at all. I have not even abandoned strategic planning for parks.

Mr. Laughren: Perhaps a better way to put it is how has the parks master planning changed? Is that what you are trying to explain?

Hon. Mr. Pope: I am trying to tell you that it all has to fold into one comprehensive land-use program for parks, for resource allocation, for development of recreational opportunities—

Mr. Laughren: The sale of AWACS.

Hon. Mr. Pope: You do not think parks is a basic element of land-use planning?

Mr. Laughren: Oh, yes, I certainly do. I think it is such an important part that you need to have that parks master planning process carry on.

Hon. Mr. Pope: It is carrying on under strategic land-use planning.

Mr. Laughren: Now it is one of the components of SLUP, as opposed to having its own planning process, right?

Hon. Mr. Pope: Of course. That is the only way to do it.

Mr. Laughren: You have changed the priority of planning the master plan for parks.

Hon. Mr. Pope: No, I have not. Under this system, the way it was going to work is we were going to have six sets of public hearings within eight months. All we want to do is try to merge the two systems together, have all of the options for parks and for other resource uses together.

Mr. Laughren: Is that why you cancelled the Ogoki-Albany meeting?

Hon. Mr. Pope: How can we have a meeting with respect to boundaries when we have not even laid out the principles of strategic land-use planning and park planning for the people up there?

Mr. Laughren: It has not stopped you with the forest management agreements.

Hon. Mr. Pope: I beg your pardon?

Mr. Laughren: You cannot have it both ways.

Hon. Mr. Pope: Let us get back to these FMAs. I have just described to you the process we have adopted since I became minister with respect to FMAs. It includes the parks people. All I can tell you is that when Mr. Foulds attended the open house, if you talk to him about it, he saw maps that dealt with wilderness parks, waterway parks, trout streams, canoe routes, trout lakes, cottage lakes, public access sites and roads. All of these things were on maps put up on the wall at the open house, and people could see that every branch of the ministry was involved and had some input into the discussions with respect to this FMA.

What I am saying is that the FMA has gone through a similar process to the strategic land-use plan in terms of the input within the ministry. The second part was that I said when it came on my desk, "I want to go through some sort of open process so people can see what we are looking at."

10:30 a.m.

Under my direction, we set up open houses in Thunder Bay and Dorion and tried to lay out the maps and tried to lay out the essence of the forest management agreements and some pamphlets first. We also had the text of the agreement there. It was the same basic agreement in terms of the text that we had sent to the Algonquin Wildlands League, the Federation of

Ontario Naturalists and Mr. Smith and Mr. Cassidy in July 1979. We wanted to put all of that before the people.

Mr. Haggerty: Do you mean their leader does not talk to the caucus members?

Hon. Mr. Pope: Mr. Foulds was at the FMA meeting and he was the only MPP who went there. What we tried to do then, and it may be that we can make a better program out of it, was to get every branch of the ministry involved in this and, secondly, before it was finalized, we tried to open it up, let people look at what we contemplated doing and get reaction. I will give to you a copy of the comments of everyone who was there. Groups like the Northern Ontario Tourist Outfitters Association, for instance, made major comments and presentations and followed up with written presentations with respect to their problems with access.

Mr. Laughren: Did the Minister of Industry and Tourism (Mr. Grossman) submit his presentation?

Hon. Mr. Pope: I think they contacted him because he phoned me.

This still has not been finalized. I reiterate that it was on my desk in May and we put it through this process. I want to dovetail into that my earlier comment to you that it is not simply a matter of a five per cent exclusion within the context of the agreement; it was all of these other things we dealt with at the front end to leave us clear this five per cent figure. Incidentally, I understand the Alberta figure is between two and three per cent in a similar context. I have seen some other FMAs that were put into regs.

What we are trying to do is make the forest management agreement a planning exercise, and, I reiterate, nothing else has crossed my desk.

Mr. Laughren: You are not signing any FMAs until the district land-use plans have been completed. Is that correct?

Hon. Mr. Pope: No. I cannot guarantee you that the Spruce River Road forest management agreement will not be finalized before December 1982.

Mr. Laughren: How about any others?

Hon. Mr. Pope: I have not seen others. If they come before my desk, I am going to want to see that we have had planning programs, that all the branches of the ministry have had some input and also that we go through a public information process. None has appeared on my desk, so we have not initiated any of that yet.

Once you start with a public information process, you have to advertise it and you have to send out letters, which we did, to a number of people asking for their comments. I handed out maps to a number of interest groups, just so they could see the boundaries, and I asked for their advice. Then we have to give a chance for a response, and that will take some time in itself. All I can tell you is that we are probably into some time next year, even if it were in front of me now, and it is not in front of me now. I want to reiterate all of these areas are under licence.

Mr. Laughren: Yes, I understand that. What is bothering me is it is not the principle of not signing the FMAs before SLUP is pursued that you are committed to; it is simply that the machinery is not flowing to you the way it might. It is not because you are committed to completing SLUP before you sign FMAs, is it? That is not what you are committed to?

Hon. Mr. Pope: I cannot give you a hard-and-fast rule. That depends on—

Mr. Laughren: That is what is disturbing me. We obviously have different views on that, but in my view you would not sign an FMA—any FMA—until the SLUP process had been completed.

Hon. Mr. Pope: I guess my problem with adopting that as a hard-and-fast rule is that it may have some impact because we are already committed and gearing up for regeneration programs through the FMA process. I am aware in general terms of areas that they are looking at. Again, I have not seen any FMA proposals in front of me.

Also, we have got the problem of putting into place the mechanisms and the structures for regeneration activities under areas that could fall within FMA structure, the structure agreement. So we are going to have problems that way if we drag that as well.

Mr. Laughren: It does not seem to bother you when it comes to costs.

Hon. Mr. Pope: When it comes to what?

Mr. Laughren: To the long-run costs of the forest management agreements.

Hon. Mr. Pope: What do you mean?

Mr. Laughren: You sign FMAs without knowing what the long-term costs are in silviculture, regeneration, road access and so on. At least if you know them, you are not telling anybody.

Hon. Mr. Pope: In the discussions with respect to the funding under BILD for FMAs, we have projections of the general costs.

Mr. Laughren: I think you indicated you were going to try to give those to us during these estimates. Am I right?

Hon. Mr. Pope: Yes. I will get that information to you some time today. I think I recall seeing it. We have also been advertising for nursery contracts in northeastern Ontario, for instance, for the Iroquois Falls Forest FMA area. We are aware of the nature of the costs that are coming. We have some estimates on road construction costs. You asked me for those as well, and we will try to get them to you some time today.

I should mention that the Iroquois Falls Forest FMA was put into place before I became minister. The company, Abitibi-Price, and our ministry staff have agreed to have an open house in Iroquois Falls to explain that FMA and to bring the maps. The Royal Commission on the Northern Environment also sent representatives and a number of groups showed up to look at it as well. I also asked a member of the parks council to be present.

Abitibi, at my request and without including it as part of the five per cent discretionary removal, took an area called Long Point on Lake Abitibi out of the forest management agreement and out of their licences because we thought it had some park potential. This is part of my effort to go back and look at some of the FMAs to see the potential land uses there. So far it has been a fairly co-operative effort.

I believe you asked some questions with respect to the interface of the district and regional plans. I think your question was, "Could the minister explain why the regional plans are going to be completed before the district plans instead of vice versa?" If you do not mind, I would like to take a minute and go over it.

The regional land-use plans are to provide two things: first, policy direction and targets that are tested as to viability at the district level and, secondly, some large land-use allocations that cannot be addressed at the more detailed district level, for example, location of required agricultural land and large wilderness parks.

The district plans provide the prime focus of the land allocation process. At this level, the land base is examined in detail to ascertain if the assigned targets can be met. If so, a draft plan is developed based on the assigned targets. If they cannot be met, the region will then reassign the unattainable portion of the targets to another district. If they still cannot be achieved, then a

decision may be required as to whether or not a tradeoff will be made between targets and land uses.

Generally speaking, the regional plan will be a policy-oriented document augmented by a few major land-use decisions. It provides direction to the district plan. The district plan will be directed, primarily, towards achieving the policies and targets of the regional strategic land-use plan.

Its prime focus will be a map showing areas of land designated for one or more land uses. Each area will also have an associated land-use policy which will define the uses permitted, the restrictions or the prohibitions in the area. The district plan will provide direction for the ministry's resource management programs and will provide the public with a statement of how the minister intends to use crown land or wishes to influence the use of private land.

10:40 a.m.

The strategic land-use targets would be of longer term. The projection of targets over a time frame of more than 20 years can create some problems; none the less, it is a long-range target program. Some people on both sides of the issue are saying that anything over 20 years is completely unrealistic; nevertheless, we have to make some effort at enunciating some long-term targets. We hope we do that under the regional plans. I guess that is my understanding of how the two merge together.

You also made some comments about an important planning issue with respect to the public information on proposals.

Mr. Laughren: Options.

Hon. Mr. Pope: Sorry, options. The Algonquin Wildlands League did an analysis of both our old parks planning program and our strategic land-use planning program. I do not know if they agreed or not with the merger of the two; it would not be fair to say one way or the other. However, they provided some alternatives as to how they could be meshed.

Both programs were providing for open houses at various stages, and they were looking for a way to minimize the number of open houses we would have to have around the province. They had some fairly detailed knowledge of our plans for integrating the two, and we appreciated their comments. As soon as we lay out the whole program, which we intend to do fairly soon, I think you will see that to some degree we understood their requirements and to some degree have made some modifications.

We also assured them that although strategic land-use planning dealt with northern Ontario, and therefore we wanted to place an emphasis on open houses, information sessions and meetings in major and smaller communities of northern Ontario, we would also provide an opportunity for some discussion of the matter in southern Ontario in different centres.

Mr. Laughren: The Niagara Escarpment.

Hon. Mr. Pope: We indicated that to them a couple of months ago and reiterated it recently to the Sierra Club of Ontario. We do not intend to shut out these groups. We will have a massive amount of documentation—I have been receiving documentation steadily—and we are trying to develop a system of making that available without getting into horrendous costs.

They were included on the mailing list, by the way, for the West Patricia land-use plan. I think there are 600 or so—I may be short on that—on the mailing list we have filed in the Legislature. There are pages upon pages of groups and organizations to which we have sent virtually everything.

Mr. Haggerty: At a cost of \$625,000, wasn't it?

Hon. Mr. Pope: I do not think postage costs that much, but printing costs are substantial.

We are not saying our system is perfect, but we are working on it. I think it is important that we are trying to get a format by which people from communities in northern Ontario will have the opportunity just to walk in and give their comments with respect to this. It is my personal feeling that the more informal this process is kept, the better.

We will provide you with the comments which have been made and which we have assembled on the Spruce River FMA and on the West Patricia land-use plan, for instance, which will indicate concerns that the people had with respect to specific decisions which have been made. We want to have an informal session where people will feel free to make their comments and to find ways to get more and more information out to them. We want to do it the best way we can. That is the kind of system we want to develop.

Mr. Laughren: Do we have more time for responses? I thought the time was pretty short.

Hon. Mr. Pope: After a first start, we extended the time, and the Algonquin Wildlands League had a fuller opportunity to make its comments. We also extended the time for the Northern Ontario Tourist Outfitters Association to make further comments.

Mr. Laughren: Once you make that a policy—

Hon. Mr. Pope: It is not a policy. That was our best estimate of when we would like to have responses. Since that time we have received further letters, which we have incorporated into the response. There is no fixed time period. We are trying to get the comments tied together before we make the final decisions. It is something we can look at and modify depending on the problems inherent in any particular district.

Let me see, there are a number of questions you asked—

Mr. Laughren: I could refresh the minister's memory with a quickie list of things I was hoping he would respond to. One is whether or not he is convinced that those pulp and paper companies needed the grants. Second is the question of affirmative action built into the FMAs. We have already talked about the costs of roads and silviculture in those.

Third is the Lady Evelyn-Smoothwater area and what is happening there. That was set aside at one time, and now there are some volume agreements in that area. Fourth is what kind of mechanism is set up within the ministry in the north to work with the Ministry of Northern Affairs. I am looking forward to that response.

Finally, there is the whole question of affirmative action in the ministry. I had requested a list of the top 25 people in your ministry.

Hon. Mr. Pope: Can we include my office?

Mr. Laughren: No, I am not counting your secretaries.

Hon. Mr. Pope: I don't mean my secretaries.

Mr. Laughren: The top 25 people in the ministry.

Hon. Mr. Pope: Your definition of the top 25 people might be different from mine.

Mr. Laughren: I mean on your chart. I would be quite happy to accept the names on this chart—the Minister of Natural Resources at the top, the deputy and the assistant deputy—and the people on page 1A of the briefing booklet. Could you tell me how many of the people on those pages, the names that nobody can read because the print is so small it is unbelievable? When I see something like this—

Mr. Sheppard: Buy a pair of glasses.

Mr. Laughren: If you think that is the problem, you should see this chart. I wanted the minister to tell me how many of the people on those two charts on page 1A are women—a very simple and direct request. I am sure he knows all those people.

Anyway, those are the questions that have not yet been answered.

Hon. Mr. Pope: In my respectful opinion, the pulp and paper grants were necessary. We had an election on that issue in northeastern Ontario. I know the position of your party with respect to it. Did it end up by being an accepted study?

Mr. Laughren: The Lakehead study?

Hon. Mr. Pope: Was the Lakehead study prepared for the Royal Commission on the Northern Environment eventually adopted by them?

Mr. Laughren: I do not know.

Hon. Mr. Pope: I do not think it was. However, I am aware of their conjecture.

I think there was a need to modernize. The decisions with respect to where modernization was going to occur to some degree hinged on a number of issues, including some long-term commitments of this government to the forest management agreement concept and some financial incentives. I believe the federal and provincial governments made an appropriate decision by entering into discussions with the pulp and paper industry and providing them with an umbrella of financial incentives and planning arrangements under which their boards could favourably decide to modernize and expand in Ontario.

10:50 a.m.

Mr. Laughren: Do you agree that they need it?

Hon. Mr. Pope: What is your definition of "need"?

Mr. Laughren: That they would not have been able to proceed without them.

Hon. Mr. Pope: I am convinced that they might not have proceeded without them. That is different from your statement of not have had to proceed with it. You are trying to link it into a reading of the balance sheets. I do not think that was necessarily the only issue before us. It was how those investment decisions would be made.

Mr. Haggerty: Surely, Mr. Minister, the question the member raises is valid in the sense of saying that it is available through your taxing programs, through depreciation allowance on equipment over the years, and so on. That is like deferred taxes in a sense. It has always been a common practice in industry that money would be set aside for replacement of equipment to modernize plants and industries. When you look at these tax concessions that have been given to them, and then turn around and give

them a further handout of public money, saying you want them to keep solvent to be competitive, it is just not right.

Hon. Mr. Pope: You and I might disagree. The reading of the issue was that in order to have those investment decisions made for the pulp and paper mills in northern Ontario, this kind of program was needed. The federal government agreed. The federal government and the provincial government, through the funding arrangements they made, got involved in the program. It is not necessarily true that depreciated moneys with respect to equipment are always held in reserve for reinvestment in modernization. It is an accounting system and a tax—

Mr. Haggerty: No, it all goes to the shareholders. That is where it goes. It is deferring taxes or circumventing taxes.

Hon. Mr. Pope: No, it does not all go to the shareholders. We did not fund a modernization program 100 per cent; surely you are not saying that. A lot of this money did go into modernization and did go into the purchase of new equipment or into expansions. There is no doubt about it. We were trying to make sure we got immediate investment decisions that would lead to the modernization of the pulp and paper industry, and we did the right thing. We had government studies from the federal government in 1970 that showed that the Abitibi mill in Iroquois Falls was not worth modernizing.

Mr. Haggerty: Do you feel it is the responsibility of government to use taxpayers' money to go in and put them back into the market again to be competitive?

Hon. Mr. Pope: Yes.

Mr. Haggerty: Do you not think that is the responsibility of the so-called free enterprise system here?

Hon. Mr. Pope: Under that logic, we would never enter into any tax arrangements with any corporation that would lead to reinvestment of moneys. Using that logic, you would be against the Income Tax Act and you would be against the depreciation allowances.

Mr. Haggerty: Surely it is the income tax of individuals which is supporting the industry—

Hon. Mr. Pope: Also the income tax of the same corporations.

Mr. Haggerty: You do not see Inco come into the picture and ask for a handout.

Hon. Mr. Pope: Do you not see the pulp and paper companies paying taxes too?

Mr. Haggerty: Sure. They capitalize on the tax-free gifts that are available through certain—I do not think you want to call them loopholes. All I suggest to you is that here is a healthy industry that does not need the help.

Hon. Mr. Pope: I respectfully disagree.

Mr. Haggerty: The money should be put into reforestation.

Hon. Mr. Pope: It is being put back into reforestation.

Mr. Haggerty: No, it is not enough. In fact, if you look at it through—

Hon. Mr. Pope: As a matter of fact, there is more being put into reforestation under one program alone than was given to the pulp and paper companies.

Mr. Haggerty: You have reduced your funding for land management by \$17 million.

Hon. Mr. Pope: So?

Mr. Haggerty: I would suggest the reforestation would come into that particular vote. I think of that grand old man of reforestation who was born in the township of Bertie, an area which I represent, Dr. Edmund Zavitz.

Mr. Laughren: I thought you meant Bill Davis. Who else has made a commitment to plant two trees for one?

Mr. Haggerty: No. I suggest that a man who dedicated his life to reforestation would be too happy today to see the turning event which has taken place.

Hon. Mr. Pope: He would be happier than blazes at what has happened in the last couple of years.

Mr. Haggerty: You and the federal government and your cabinet have provided all this additional funding for the paper industry. There are reports that say within 20 years the resources will not be there.

Hon. Mr. Pope: What report says that for the pulp and paper industry? In fact, we have a surplus of hardwood.

Mr. Haggerty: Hardwood is not for the pulp and paper industry, is it? You are looking at the black spruce.

Hon. Mr. Pope: It is. The Domtar pulp and paper mill in the Cornwall area is getting into the hybrid poplar plantations because that is exactly what is happening.

Mr. Haggerty: They will have to go to a different type of tree to maintain their production.

Hon. Mr. Pope: The whole issue is to obtain pulp fibre. It does not matter what kind of species it is to obtain pulp fibre.

Mr. Haggerty: Up in northwestern Ontario I have seen where, instead of taking all the timber, they have just taken the one particular type of tree they want.

Hon. Mr. Pope: That is right, the conifer, the spruce and the pine.

Mr. Haggerty: And they have left the rest that are of no value at all. They started to cut it down and left it to sit there and rot.

Hon. Mr. Pope: As I say, we are now into hybrid poplar programs with Domtar that we think are going to have a positive impact. We have indicated that the use of hardwoods is an important priority in which we are going to engage the pulp and paper industry. We have looked at the hardwood surplus in various parts of Ontario and, based on that surplus, provided through the licensing system for the establishment of waferboard plants, medium density fibre board plants and particle board plants. All of these things are starting to come on stream now, and we are making a lot of progress.

Mr. Haggerty: There are large shipping yards in the Fort Erie area, while in the Niagara Peninsula they are shipping plywood and other lumber products to the United States. Do you know where it is all coming from? Is it western Canada?

Hon. Mr. Pope: Yes.

Mr. Haggerty: In fact, if one had to buy pine from any of the lumber mills or building supply outfits or businesses in Ontario, one would find out the biggest part of the pine is coming from the western part of the United States.

Hon. Mr. Pope: Idaho.

Mr. Haggerty: That is right.

Hon. Mr. Pope: But do you know where our white pine is going?

Mr. Haggerty: Yes. We are probably shipping it by logs out to Japan.

Hon. Mr. Pope: No. New England.

Mr. Haggerty: New England?

Hon. Mr. Pope: Canadian white pine in dressed lumber form. It is a great product.

Mr. Laughren: Is it true that you are studying the possibility of shipping all our sawdust over to Japan where they are going to make trees out of it?

Hon. Mr. Pope: That reminds me that I was supposed to bring some things over to you.

Mr. Haggerty: It is plain, Mr. Chairman, we are not going to get into any of these votes the way we are continuing now.

Hon. Mr. Pope: I have got a present for you because we have been able to—

Mr. Laughren: Mr. Chairman, are you going to bring this committee to order?

Hon. Mr. Pope: Sorry. Getting back to the pulp and paper industry—

Mr. Chairman: Gentlemen, I think that—

Hon. Mr. Pope: Just a second. He has a number of questions he wants answers to. He is the critic.

Mr. Chairman: If we can continue on with those in your reply, then we can get down to additional questions during the votes.

Hon. Mr. Pope: Really, Mr. Chairman, this is important. Mr. Stokes, your colleague, raised the issue with respect to—I assume you mean affirmative action programs for native people.

Mr. Laughren: Yes.

Hon. Mr. Pope: We did indicate to Mr. Stokes in a letter that I think he has that we were hoping we could make some breakthroughs in that area, but there were some discussions that had to take place with all the players. We certainly have approached the companies with respect to it. I am informed that we have talked to the unions, but I am not confident that we have had good enough discussions with them. It is something I would personally want to see us get under way with. It is something I hope to get personally involved in with the union executives and try to get something in place.

We have indicated at meetings we have had with the native people's organizations over the last few months that we want to get into some employment programs, not only with respect to the Ministry of Natural Resources, but also with respect to the industries that are in operation in northern Ontario. In fact, we put on the table an offer of employment of native people with respect to some of our own regeneration efforts, and we also put on the table the potential employment, which I personally am agreeable to, and I suggested employment of native people in the conservation officer end of things.

We do have employment programs in place. We are employing native people and the companies are employing native people in certain activities, but we can improve on it. We just have to get it structured better. The answer to you is that a program per se is not in place in the industry.

11 a.m.

We do hire native people ourselves, but I think we can plan a better program with industry in the near future. My problem is that I do not want to propose a program to the industry unless I am certain that it is a program the native people think is sufficient or adequate. That is why I put it on the table to them last May.

With regard to the Lady Evelyn Lake, that area has been under licence for some period of time, as you are aware. The licence that is outstanding has a renewal clause in it guaranteeing the renewal. I assume that is the problem you are worried about.

We have a lot of problems that you have probably heard about that have to be addressed in Elk Lake with respect to the wilderness park. I have already indicated to the Algonquin Wildlands League that the economics of the different options of land use have to be put forward to the people of Elk Lake and the district of Timiskaming and that we have to start on that process.

I have also told the Algonquin Wildlands League that if they really believe in this wilderness park they have to get involved in that community in explaining the benefits of it. We already have. I am not saying we should back out. We sent our staff up there, but quite frankly, they did not get a very nice reception. I think a lot of people have to become involved in that situation and lay the economic factors on the table so that people can make some sort of judgement on those options.

We think that Lady Evelyn Lake has a lot of potential. That is why we want to try to get this land-use planning process under way as quickly as possible. We plan to have a meeting in Elk Lake to lay out those options. Just on the economics, while I am thinking about it, the NOTOA executive prepared some economic impact studies with respect to some land-use planning options and the impact of access roads into certain parks and certain lakes in the Spruce River Road FMA. The lumber company, of course, prepared its own economics, which are drifting through the media in northern Ontario.

There are other economics with respect to the recreational use of land. We think all of those things have to be laid before the people and we agree with your position that they should be under the strategic land-use planning process. We have been trying to get that information assembled. Some of the groups that are interested in wilderness parks have already

been advised that we want to try to do that economic balancing act as well as the other elements of the decisions that have to be made.

On affirmative action within the ministry, I think we have made some progress. If you look at the chart, you can come to your own conclusions. Our assistant deputy minister in charge of administration is a lady. Our director of policy co-ordination is a lady. On November 1 we appointed a lady as district manager in the Chatham district, Wendy McNab. We have some lady conservation officers who have been employed by us.

In my own office my executive assistant is Mrs. Mumford. The communications branch is headed up right now by a lady. I think there are a number of women now coming through the forestry schools and we accept it as our role to provide employment opportunities. If you examine how the promotions are coming, we think you will realize that women are coming up through the ranks. With the appointment of a district manager and some of the other senior positions being filled by ladies, there has been some progress made.

As of March 1981, we have seven foresters, 12 biologists, 12 community planners, two geologists, four geological assistants and 24 resource technicians who are ladies. The number of female resource technicians increased by 41 per cent over last year's figures. There are a number of female employees appointed for temporary positions during the summer months. You are aware of our junior ranger program in which we have provided more and more opportunities for ladies.

We are trying to monitor the situation. We have a number of programs in place that are starting to make some impact on the ministry. We can improve it, but we are working at it and the situation is a lot better than it was.

Mr. Laughren: You have made a couple of comments. With regard to the organizational chart, the bottom one—the top one is the field organization—I really cannot read it. There are a number of women in that chart. I think your parliamentary assistant should be a woman. You know who that leaves.

Hon. Mr. Pope: Maybe you want her here for the estimates.

Mr. Laughren: Who is your parliamentary assistant by the way? Why is he not at the estimates?

Hon. Mr. Pope: He has been very busy doing some work for me in the conservation authority area.

Mr. Laughren: I cannot imagine a parliamentary assistant not attending the estimates.

Hon. Mr. Pope: He has been very busy. He has been very helpful, as a matter of fact, in a number of areas. Where I have not been able to attend meetings or meet with delegations, he has made himself available to these. You wanted to look at a chart somewhere.

Mr. Laughren: I do not need it right now. On that bottom chart, which is the main chart for the ministry, I would be interested in knowing how many women are on that chart. I do not need to know it right at this particular moment.

Hon. Mr. Pope: We will get it for you. What else did you want to know?

Mr. Laughren: There was the question of your working with the Ministry of Northern Affairs and how you co-ordinate that. Of course, you have not addressed yourselves to the wild rice problem.

Hon. Mr. Pope: Yes, wild rice.

Mr. Laughren: I am saving the Niagara Escarpment for the vote.

Hon. Mr. Pope: There are a number of ways at the ministerial level and at the deputy minister level where there is co-ordination. You are probably aware of them. We are both in the resources policy secretariat and we both sit on the resources road committee. On top of that, on a number of occasions we have meetings with respect to joint funding programs where we argue about who is going to pay for what.

Mr. Laughren: Would you say that the Ministry of Northern Affairs makes your job easier in northern Ontario?

Hon. Mr. Pope: I would think in terms of having offices available in different communities to explain the different programs, including a lot of Ministry of Natural Resources programs, they do provide a valuable opportunity for communicating the government programs to the people and for getting back their comments on those programs.

In terms of funding, they are involved in a number of contributive ways in some of our basic programs, and we appreciate that financial support as well. At policy levels there are a number of interministerial committees where they have communications. At the local level, of

course, there are different degrees in the working relationship between the offices. I think the situation is a positive one.

Mr. Laughren: Let the record show the minister said all that with a straight face.

Hon. Mr. Pope: Wild rice?

Mr. Laughren: Yes, I am very interested in wild rice.

Mr. Sheppard: I want wild rice growing in Rice Lake.

Hon. Mr. Pope: The Premier (Mr. Davis) announced some time ago in the context of the Reed problems and the English-Wabigoon River problems a moratorium with respect to the harvesting of wild rice. It is my understanding that his announcement was referable to the northwestern part of the province. If you will read his statement, the entire discussion is vis-a-vis northwestern Ontario and the Reed problems and the acquisition and pollution problems.

11:10 a.m.

As to the moratorium discussions we have had, it is true that Chief Robin Green requested an extension of that moratorium last May. I told him it was premature to make any decision about extending the moratorium. The reason for his asking, so that the other members may know, was that there were some poor harvest years the first two years after the moratorium. We had a look at that issue and wrote back to him, if I recall my letter correctly, and indicated we were prepared to look at the Lake of the Woods because we understood that the water levels in the Lake of the Woods has fluctuated during the first two years and that did have an impact on the wild rice harvest there. Other than that, we have made no decision yet on any extension of that moratorium.

Mr. Laughren: That is nonsense. I have a letter that says you refuse to extend the moratorium.

Hon. Mr. Pope: What we said was—

Mr. Laughren: I will dig it out.

Hon. Mr. Pope: We did offer as well last May to make available at no charge harvesters to the bands.

Mr. Laughren: Where was this?

Hon. Mr. Pope: It was at a meeting of the cabinet committee on native affairs in May and also directly to Robin Green. We said we were interested in hearing from him about specific help for equipment and the designation of

specific areas that had special religious and cultural significance to them, and if we could hear from them, we could make some decisions with them on those issues.

We understand that harvesters have been available in northwestern Ontario for a couple of years and that the treaty organizations have been aware of that, but those harvesters have not been used. We do have some concern about working out with the Grand Council of Treaty No. 3 an arrangement similar to the one I offered last May of, firstly, making a site-specific determination of some specific areas and then allocating them as resources to the native people to the different bands in that area; and secondly, hearing from them with respect to concrete proposals on what technical and scientific aid they need to get an appropriate harvest under way using their band members. As I say, included in that offer was equipment.

We have not heard back, although we have been deluging them with a number of studies and additional information. We have not received any specific response yet, but we understand that it is being worked on by Treaty No. 3. Hopefully, if we can get into some of those specific decisions, we can resolve some of the concerns in that part of the province with respect to the harvesting of wild rice.

As I have indicated to the native people, I have no objection whatsoever to allocating under a licence system that resource and specific locations to them. All we have to do is settle the specifics.

Mr. Laughren: If there is one area where I think you have behaved in an outrageous way, it is with the native people. I gave you examples in Kenora where three bands, the Rat Portage, Washagamis and Dalles chiefs and councillors, went to your district office and asked for specific material assistance. They asked for the harvesters and for some seeding rights. They were told that the harvesters were available for demonstration purposes only and that no seed rights were available to them. That is my information.

When you say things like that to our native people, I can understand how they must feel about these empty promises of assistance to develop their industry. That is really what it comes down to. Part of the Premier's statement on the moratorium was to help them industrially to develop that industry. You have failed to do anything as far as I can see. I do not blame them for being very upset and angry at you because I do not believe you played it straight with them.

Hon. Mr. Pope: You may not believe I played it straight with them. You are entitled to your opinion.

Mr. Laughren: Two minutes ago you said you had not made a decision on the moratorium. Here is your letter, dated June 26, written to Chief Robin Green of Treaty No. 3. In it you say, "Finally, I have considered your request for an extension of the moratorium and must advise that at this point I do not feel that an extension of the moratorium is warranted."

Hon. Mr. Pope: At this point.

Mr. Laughren: Yes. "I feel it is premature to consider a moratorium at this time."

Hon. Mr. Pope: Premature.

Mr. Laughren: "But I would be prepared to consider the situation in another year."

Hon. Mr. Pope: Then do not say I have been less than honest. I have not said I am not going to extend the moratorium. I said it is premature and I will not do it at this time; we have to have more meetings on it. I did not mislead them and I am not trying to mislead you.

Mr. Chairman: Mr. McEwen.

Hon. Mr. Pope: There are a couple of other points Mr. Laughren raised I should like to address myself to.

I can appreciate that they may be frustrated and maybe on the local level they feel there is no co-operation there. All I can tell you is that the information I get is different. That is why I put on the table last May an offer to them to meet with me to work on the specifics. Chief Robin Green and I worked on a couple of problems with respect to charges under the Game and Fish Act, confiscations and seizures, and were able to work out the situation and return some of the articles.

We have had in a number of lawyers representing specific native peoples' organizations, and some of those charges have been worked out. I have told them that if they have got problems, "Come and see me. Bring the specifics. Let us put it on the table and let us make some decisions. I will support whatever decision we come to, and we will work it out on the local level." But they have not replied to me.

I have asked them to designate the areas that are of special cultural and religious significance. I have told them I am prepared to give harvest licences to those areas, and I have said personally that I would be prepared to work with them in terms of providing equipment and scientific and technical expertise to help them in getting

the harvesting system under way. All that I can reiterate is that is what I have told them I will do. If they can come back to me with I will work on them with the chief in the same way I worked on some of these specific charges under the Game and Fish Act and the federal regulations.

Robin Green and I had a fairly good working relationship on specific details, and he could phone me and we could work those things out. All I can tell you is that from the information we have there are no projects in the Ignace district in 1981 or formal requests for 1982 so far, no projects for 1981 or requests for 1982 so far in Red Lake, and no requests in 1981 or 1982 from the Sioux Lookout office. All I can tell you is what I am being told.

If there is a problem, instead of arguing as to who in the past has misled whom, or who is not co-operating with whom, let us have a meeting with the Grand Council of Treaty No. 3, sit down, indicate which bands want to harvest which lakes, the basis for their request, what aid they exactly need, and get on with it. If we can come to some agreement between the new chief and myself, then we shall implement it.

Mr. Laughren: That is fine. It sounds good when you say that. Then, in the middle of the moratorium, even though the moratorium did not apply directly to that lake at Lanark, Mud Lake, there you go in and give a licence to Lanark Wild Rice Company. You did not consult with the native peoples as I understand it, you consulted with other people in the community.

Hon. Mr. Pope: No.

Mr. Laughren: I stand corrected and perhaps you can enlighten me on that. The native people objected to your granting that licence. Why will you not say clearly that the wild rice of this province belongs to our native people and that they have exclusive rights to harvest it? You will not make that commitment, will you?

Hon. Mr. Pope: No, I will not.

Mr. Laughren: No. Then you wonder why they are leery about dealing with you.

Hon. Mr. Pope: Why? When I have said I am willing—

Mr. Laughren: When they go for help at Kenora, you do not give them any help at all.

Hon. Mr. Pope: Do you agree with the way I am proceeding in terms of making the offer to the Grand Council of Treaty No. 3 to deal with specific areas, to allocate specific areas for wild rice harvesting, to provide them with equipment

and technical and scientific assistance? Do you think that is an appropriate way for me to go?

Mr. Laughren: No.

Hon. Mr. Pope: I should not help them?

Mr. Laughren: No. I do not think you are doing it the right way. You asked me if I thought you were doing it the right way.

What you are saying to the native people is, "You come to us and tell us which part of your wild rice you want to have for your exclusive rights." If it were me, I also would say to you, "You can go jump in the river, Mr. Minister. All that wild rice belongs to the native people. We are not going to negotiate away part of it to you." That is the problem, and you wonder why they do not feel that they can deal with you with any kind of confidence. That is a fact.

11:20 a.m.

Hon. Mr. Pope: All I can tell you is if they want to have discussions with me with respect to—

Mr. Laughren: On your terms, always on your terms.

Hon. Mr. Pope: There is only one term.

Mr. Laughren: Yes, that the wild rice belongs to you.

Hon. Mr. Pope: That it belongs not to me but to the people of the province. It is my responsibility to allocate resources.

Mr. Laughren: Not wild rice.

Hon. Mr. Pope: I am sorry, but the act does not say that, does it? The Wild Rice Harvesting Act does not say that the minister has no authority. In fact, the Legislature specifically gave me authority.

Mr. Laughren: You are going to start living up to the letter of the acts—not treaties, just acts. That is what you are saying.

Hon. Mr. Pope: Why was the act passed if I have no responsibility to the Legislature for allocating wild rice in the province and if it does not belong to the province?

Mr. Laughren: That does not mean it rightfully belongs to you. What about the treaty—

Hon. Mr. Pope: Now you want me to disobey the act of the Legislature. That is interesting.

Mr. Laughren: Stop it. You can amend legislation any time you want. You happen to have a majority government.

Hon. Mr. Pope: But you will admit the law says I am supposed to allocate wild rice?

Mr. Laughren: Yes, but that is wrong.

Hon. Mr. Pope: You disagree with the law, but it is the law.

Mr. Laughren: You can change the law. You do not hesitate to change other laws, do you?

Hon. Mr. Pope: I have not changed any laws.

Mr. Laughren: There happened to be a treaty on the headlands issue. I am sure you know that.

Mr. Chairman: This is deteriorating into an argument. I do not really see much point in continuing in this way.

Hon. Mr. Pope: Do you want to get into the headlands issue?

Mr. Laughren: Sure, any time you want. You are playing games and I don't blame the native people for not trusting you.

Mr. Chairman: Mr. Laughren, I would appreciate it if we can complete the minister's reply. I have been extremely fair and have given great latitude. The proper time for questions is under votes and items of votes. Other members of this committee also have questions to pose to the minister. Perhaps we could proceed with the minister's reply. If you are not happy with his reply or have some further questions, you can ask them during the specific vote items.

Mr. Laughren: I was being very reasonable until the minister started playing games on the native peoples question.

Hon. Mr. Pope: I am not playing games.

Mr. Laughren: Yes, you are.

Hon. Mr. Pope: I have a responsibility to this Legislature under existing legislation.

Mr. Laughren: If I were the native people, I would not talk to you either.

Mr. Chairman: Gentlemen, maybe we can put our personality conflicts aside.

Mr. Laughren: It is not a personality matter.

Hon. Mr. Pope: No, it is not a personality matter. We are just having a difference on an issue.

I think Mr. McEwen wanted to get in on Mud Lake.

Mr. Chairman: Yes, Mr. McEwen has a question and so does Mr. Kerrio.

Mr. McEwen: It is a little more than a question, Mr. Chairman. I want to follow up on the wild rice issue, if I may. Is it in order for me to continue, or are you going to cut me off?

Mr. Chairman: Certainly you can continue.

Mr. McEwen: Around 1978 and 1979, a new conservation employee was brought into Tweed district, and immediately after his arrival, a

permit was issued to Lanark Wild Rice Company for \$1 without any discussion with the local councils, local Indians or other local people.

There was a considerable uproar, but the harvesting continued in 1979, and they took off about 1,800 pounds of rice. A public meeting was called by former minister Auld in July 1980. As a result of that meeting, a letter was submitted on September 2, 1980, which said: "My deputy minister, Dr. Reynolds, as a result of a public hearing on this matter, has denied the request of Lanark Wild Rice for a commercial harvesting licence for this area."

Mr. Laughren: The minister turned that around.

Hon. Mr. Pope: That is wrong. I did not.

Mr. McEwen: "This decision was based on the fact that there was a moratorium on the issuing of new commercial licences until 1983."

This year, in a cavalier manner, the licence was again issued. There was supposed to be a study taken. Do not shake your head, Mr. Minister, this is a fact.

Mr. Laughren: It is a fact.

Mr. McEwen: There was supposed to be study made of the area and a decision reached. There was no study made except by Mr. Williams. Again a licence was issued for \$1.

In reply to my letter to you in regard to the licence, you say: "Thank you for your letter of August 20, 1981, regarding the wild rice harvesting situation in Mud Lake east of Ardoch. Following the 1980 harvesting season, further review of the Mud Lake situation led my ministry to take the position that the moratorium in question does not apply in eastern Ontario."

The moratorium was called by the minister in 1980. It refers to wild rice on Mud Lake and Lanark Wild Rice Company. I question why it does not apply to eastern Ontario in 1981. There was considerable uproar, as you know. It really is not a matter of sour grapes, but it does appear that no consideration was given to the local councils of Indian people and local residents.

For the amount of rice that is acquired from that small area, they were granted a licence for \$1 with no employment to anyone in the area. The harvester was brought in, the rice taken off in a couple of days, and they left. That is the end of it, except the local people do not have the opportunity of gathering the rice as they have in the past. Their licence is taken away for the wildlife and fish.

I was asked to obtain information on the cost

of the operation for which we charged \$1. In addition to whatever other costs there may have been, 40 Ontario Provincial Police officers were involved, and since it took place on a Sunday, premium time would have been paid. What was the cost of this operation?

Hon. Mr. Pope: I have no idea.

Mr. McEwen: I understand from your own reference that eight Natural Resources personnel were present, but I was told that actually 12 conservation officers were there. How much did that cost, considering the numbers of cars involved? What was the cost of the trucks which towed vehicles away from the area and of the helicopter which was used at the scene? What were the total costs incurred by the province in return for the licence granted to Lanark Wild Rice Company at a cost of \$1? The cost for the small amount of rice involved, and in view of the arbitrary way the licence was issued, certainly does not appear to have made it a profitable operation for us.

I understand you have called a meeting for November 30 and that anyone who wishes to make representation must do so in writing to the chairman of the meeting by November 17. What kind of a meeting is this to be if you cannot speak to the member for Nickel Belt (Mr. Laughren) or to me here today? What is the sense of having a meeting if the matter is already cut and dried and if your man is going to take the presentations submitted and deal with them back in Toronto without discussion with the local people? I question that procedure.

It was also indicated that, if necessary, the meeting on November 30 will be continued the following day. What in heaven's name is the sense of meeting for two days if there is to be no open discussion? I mentioned this briefly to your deputy at the last meeting here, and I gather you have no response. Last night, on the local news in Kingston, it was announced the time had expired for making submissions. Where do we stand on this meeting? Where do we stand on the moratorium? Where are we going to stand on the discussion with local people prior to issuing a licence?

Hon. Mr. Pope: Do you want me to give you the answers?

Mr. McEwen: Yes.

11:30 a.m.

Hon. Mr. Pope: The Premier made a statement to the Legislature on Tuesday, May 16, 1978, in the context of the Grassy Narrows band and the problems at that time related to

mercury pollution in the English-Wabigoon river system in northwestern Ontario.

Mr. McEwen: What year was this?

Hon. Mr. Pope: On May 16, 1978. It is entitled, *Re the Hartt commission*. On page five, he said: "Ontario will lend full support to this effort to implement social and economic development to rehabilitate these Indian communities. We have agreed to the appointment of an independent chairman for this particular task. In addition, fact-finders have been appointed by the bands. We understand that this recommendation has the full support of the chiefs of Ontario."

"Indicative of Ontario's willingness to assist in this area is the recently announced program to provide additional employment opportunities to residents of these two communities, access to mechanical wild rice harvesting equipment"—which goes back to our previous argument—"and production of plant food from a commercial fishing operation. Careful consideration has been given to the recommendation that wild rice be set aside for a period of five years and to the development of an economic base for the Indian people in northwestern Ontario. During this period, no new licences will be issued to non-Indians."

Mr. McEwen: It says, "No additional licences will be issued to non-Indians during the next five years."

Hon. Mr. Pope: Yes, exactly. But you do admit that he says that in the context of northwestern Ontario. That is what he is dealing with. It is clear in his statement.

Mr. Laughren: Go back to the Lanark one.

Hon. Mr. Pope: I am going back to that one. I just wanted to give him the basis. I admit that the previous Deputy Minister of Natural Resources indicated his interpretation was that it applied to that area. I do not know how he made that interpretation when others had been issued wild rice licences in the Mud Lake area for the past five or six years.

Mr. McEwen: But, Mr. Minister, this—

Hon. Mr. Pope: Can I finish a couple of issues?

Mr. McEwen: It is about the comment you made. It was not signed by the deputy minister; it was signed by the previous minister.

Hon. Mr. Pope: He gave you the deputy's interpretation, didn't he? I recall that from the letter you read out.

Mr. McEwen: I would think when one signs something, it is that person who is saying it.

Hon. Mr. Pope: Can I continue?

Mr. McEwen: Sure, I am sorry.

Hon. Mr. Pope: Let me go through the issues as I understood them. There was a hearing with respect to wild rice. Was it in the fall of 1979?

Mr. McEwen: July 1980.

Hon. Mr. Pope: Some recommendations were made to the minister by the hearing officer. It was my understanding that the deputy minister overruled the hearing officer's recommendations. The hearing officer had recommended a 30-30-10 split in percentage.

Mr. McEwen: But regardless of that—

Hon. Mr. Pope: Just let me go through the facts. It may help you. All I am saying is that the entire lake was not allocated to the company.

Mr. McEwen: After all the dissension and the indication in this letter, which went to all 15 municipalities in the county of Frontenac, why, without further meetings in the local area, would your ministry issue the \$1 permit? If you were making a profit, it would be different.

Hon. Mr. Pope: Everyone paid a dollar for a permit, including the native people, by the way, who took out licences this year and last year, and including the local people who took out licences this year and last year.

Mr. Laughren: I was smiling at Mr. McEwen's statement that if you were making a profit it would be different.

Hon. Mr. Pope: To continue: The hearing took place, the deputy minister overruled the hearing officer's recommendations, and then a decision was made in the fall of 1980 to issue a licence. The licence was issued in the summer of 1981 pursuant to that decision.

If I could go back to the exact decision which was made, the hearing officer had recommended—I think it was a 30-35-35 split, not 30-30-10 per cent as I said earlier—30 per cent was to go to the Lanark Wild Rice harvesting companies, 30 per cent to be set aside for the native community and 30 per cent to be set aside for the local people.

There has been some argument, and the hearing officer heard all of this argument, about whether or not one could use harvest machines to harvest wild rice in that lake and what the long-term effects of harvesting with machinery would be on the wild rice crop in the future. There were two different points of view in the hearing and, based on all that information, the

hearing officer recommended that we go ahead and issue licences. But again there was that split, so the licence was issued in accordance with that recommendation.

At the same time, licensed areas were made available to the local people and to the native people. Pursuant to that arrangement, some licences were requested. Some were picked up; some were requested and prepared but not picked up after the issue heated up. We had an unfortunate situation. There was some local opposition to the company going in to harvest its portion of that lake. The licence had been issued. We had to honour the licence, as I explained to you and the people who came down. We did indicate that the licence was for the 1981 harvest season only and that we would review it again, and I approached someone to go up there and have a hearing.

You made some comments about this, such as, how can it be a hearing if there is not going to be some chance to reply to the briefs? There should be some chance to reply to the briefs. I will have to find out about that and get back to you on it during these estimates. What I have said is that I think we can get into commercial harvesting of wild rice in that area. I understand the local people, and I guess you are involved in this, have set up a co-operative corporation or some sort of structure and are applying for that licence.

As I indicated in my telegram—and, I think, in my subsequent letter, but at least in my telegram—we do place a priority on local people being able to harvest that wild rice, and that priority will be reflected in our decision next year, based on what kind of presentations or applications are made to us. All I can helpfully add in a positive way to you is that I assume those who are interested in getting involved—and I understand the Metis, the native people and some of the local people have got together on this; I hope they have anyway—will be making an application and a presentation. In light of what I have indicated, we will try to make the allocation decisions in the next year. Certainly we think that the wild rice crop can be harvested and we are anxious that it be harvested.

Mr. McEwen: It is an ongoing meeting for this committee. Is there any truth to this rumour, which is coming on the rumour mill, that the Minister of Northern Affairs has insisted that licences continue to be issued outside of the Indian people, outside their bands, because his campaign manager is one of the prime share-

holders in the wild rice company? Is there any truth to that?

Mr. Haggerty: No. That would never happen.

Hon. Mr. Pope: I do not recall his ever talking to me about wild rice.

Mr. Laughren: This minister does not need any prodding to grant wild rice licences.

Hon. Mr. Pope: I really do not. I do not know who his friend is.

Interjection: Is that the Harrowsmith article?

Mr. Laughren: I think so, but there was an issue about four or five years ago.

Hon. Mr. Pope: I am sorry. I just do not know about that.

Mr. McEwen: But it is a fact.

Hon. Mr. Pope: I heard something about a Harrowsmith article about some—

Mr. Sheppard: If they would print the truth, it would be different, but they never print it.

Hon. Mr. Pope: I heard about some alleged friend of his who was allegedly involved in wild rice, but I do not know anything about it, other than what I read in Harrowsmith. I just glanced through that article.

Mr. McEwen: It is an excellent magazine.

Mr. Chairman: Mr. Minister, have you finished your reply to Mr. McEwen's questions?

Hon. Mr. Pope: I do not know anything about the police costs. I indicated to you that I was not aware of that and we checked with our local staff. We were not the ones who called in the police. That is what our local staff says. Certainly I had no contact with the Solicitor General whatsoever.

Mr. Laughren: But your people were there.

Hon. Mr. Pope: My people were there. There is no doubt about it. I indicated at the meeting that we thought eight of our people were there.

Mr. Laughren: Was this a squad that moves from Moraviantown to Lanark?

Hon. Mr. Pope: As a matter of fact, you could probably see four or five conservation officers together in various parts of Ontario during the hunting season or with respect to fishing problems. On the Credit River you would probably see about 30 conservation officers monitoring the fishing activities during certain special seasons. They respond to and are present when there are going to be some problems, or when they are trying to enforce licences or the laws.

Mr. McEwen: But there were 40 officers, 22 cars—

11:40 a.m.

Hon. Mr. Pope: I told you I do not know anything about the OPP. I was not involved in it. I did not talk to the Attorney General about it.

Mr. Laughren: Is it just a coincidence that when there—

Hon. Mr. Pope: Do you mean I am misleading you about not talking to Roy McMurtry?

Mr. Laughren: I did not say that. It seems to be overkill when there is an issue involving the native people. That is what is bothering me.

Mr. McEwen: I definitely take your word for it. It is not a question of whether you care about that or not, but your people must have notified the OPP somehow. I read an article yesterday where one officer had instigated that number of OPPs attending. That was a comment made by the commissioner. I just question how you would justify sending out that many men and that many cars and the helicopter and the tow truck to tow people's cars away and so forth—for one buck.

Mr. Laughren: Do not emphasize that or he will raise the price.

Mr. Chairman: Have you finished with your point, Mr. McEwen?

Hon. Mr. Pope: Yes. There were some other issues that he raised. Do you want me to leave them?

Mr. Laughren: Going back to the wild rice just for one moment so we can finish that off, there was that five-year study by Professor Lee from Lakehead commissioned by the Ministry of Northern Affairs. Correct me if I am wrong, but I do not think there was any consultation with the native people on that. Why he would not extend the moratorium until that study is done is completely beyond me. The whole thing is phoney the way you approached the wild rice issue.

Hon. Mr. Pope: I think I have tried to indicate that I have not refused to extend the wild rice moratorium. I have said we have to discuss it further and that some time—you read it out again; I do not have to rehash it.

Mr. Laughren: No.

Hon. Mr. Pope: Did you want me to deal with headland to headland?

Mr. Laughren: Sure. You did not answer the question of why you commissioned that study. You did not commission it; I think it was

Northern Affairs. But you do not seem to even appreciate the fact that that is done without any consultation with the native people. Surely your ministry should be involved in that kind of commission to study the issue. It is in your ministry. Northern Affairs does it, and that is fine, but there is no consultation until after the fact.

Hon. Mr. Pope: There will not be consultation after the fact with respect to wild rice licensing or a decision on the moratorium. I told Robin Greene in my letter to him that we would get back together to discuss it. I did not think it was appropriate to make a decision at the time I wrote the letter because they were asking for an immediate decision. I think I indicated to him in that same letter, but I am not sure as it may have been in another letter, about preparing to extend the Lake of the Woods moratorium because of the specific water level problems there. That was based on information that he and the band members in that area supplied to me.

Mr. Kerrio: I want to raise a question that is kind of related but might more appropriately be resolved to a better degree in the estimates under the proper vote. I thought by raising it here maybe there would be some information your people might bring and then we could get into it in a little more detail later on. It has to do with the caution on lands across Ontario. I wonder if your people would give me an idea what areas are involved and what is the present status? Maybe you have the information available. It relates to the Indian environment and seems to be ongoing for such a long period of time that I was hoping there might be some update on it.

Hon. Mr. Pope: All we can helpfully say at this time is that I think everyone was convinced, because of the way the legal processes were going, we were going to get into multiple appeals in front of the Supreme Court of Canada eventually. We thought that was so long away, so many years away, that it was going to become more expensive than the land we were arguing over.

Mr. Kerrio: Is it a pretty specific area?

Hon. Mr. Pope: There are indications of potential positions that could lead to cautions in certain areas, but the major actual caution that has created some problems is with respect to the Bear Island band in Timiskaming district and a little bit into Nipissing, I think. I do not know if it is into Sudbury or not. Does the Bear Island

band caution go into the Sudbury district, Mr. Laughren? I do not think so. It is just Timiskaming and Nipissing. Anyway, I want to be specific on this because they did not put a caution on people's homes and they did not put a caution on commercial property. They put a caution with respect to crown land based on their claim that they were missed out in the Huron-Robinson treaty of 1884 or 1885.

There are a lot of historical facts that are in dispute and what not, but in the last few months through a number of mechanisms we have been trying to develop a settlement process of that claim. We think we are making progress in that settlement. It involves the federal government, the provincial government and a number of agencies and ministries of the governments and the band itself and the treaty organization. In addition to that, there are a number of native people's communities in the northern part of the district of Cochrane that were supposedly wrapped up in the Fort Hope reserve negotiations that were finalized around the turn of the century. The more important communities I guess in terms of size are Webequie, Landsdowne House and Summer Beaver.

In spite of the Fort Hope reserve negotiations being finalized and a reserve area allocated by the federal government, just before the lands were turned over to the province, these communities continue to exist. In fact, the federal government has put services and buildings into them, but they have no legal status. That creates some problems for native people that you and I would never accept, not only in the land, but not having any rights to ownership. We had a meeting in Webequie this summer with federal government representation. Mr. Chenier was there and I was there and Russ Ramsay was there. From Treaty No. 9 Wally McKay and a number of the chiefs from that area and from all the communities were there.

We started a negotiation process with respect to those communities, but we want to tie Treaty No. 9 into that process and we want to know what other communities exist out there that do not have legal status. On top of that, we need a clearer definition of what they mean by land and what we mean by land. That does not mean that land, even in our negotiation sense, includes just the land upon which their homes are situated. There are a lot of other aspects of the land that have to be discussed, and that includes the allocation of resources on the lands surrounding the communities. Those issues as well have to be thrown into the pot, and then there has to be

some discussion between the federal and provincial governments with respect to funding.

Those are the two main ones I have been involved with since I became minister, and we are in the process of trying to get those ironed out. The existence of a caution on crown land, of course, does create some problems in terms of allocation and licensing that has had more of an impact, I think, on mining development in the district of Timiskaming than anything else. It is a long process and a lot of people have been waiting a long time, but we are hopeful that we are getting close to a solution on it. There are some other areas in which there has been talk of cautions, but I do not think they have gone on.

The headland issue is another important issue that Treaty No. 3 was dealing with. We did provide the background research paper for Treaty No. 3 upon which we based the decision, and they examined the research paper and offered their own critique of it. I could get into a long dissertation on it. All I can indicate is that it goes back to conditions prior to 1870, the understanding that people thought they had with respect to Treaty No. 3 when it was originally negotiated.

Mr. Laughren: Signed by Ontario.

Hon. Mr. Pope: Signed by Ontario. I can read a few of these pages that lay out a legal basis. I assume you have received a copy of the research paper, have you?

Mr. Laughren: No, I do not think so.

Hon. Mr. Pope: We will give you a copy of it.

Mr. Haggerty: Why not give it to all members?

Hon. Mr. Pope: Whoever wants it can have it. It is an 18-page study on the history of it. Basically, a law was passed in 1915 which indicated that the allocation would be along the shoreline.

Mr. Laughren: After a joint bill had been passed, Ontario and Canada signed a bill in the 1890s saying that the area between the jutting peninsulas belonged to the reserves. That is where the battle started. Then Ontario unilaterally passed a bill in 1915 saying that was not the case. When you talk about bad faith—

11:50 a.m.

Hon. Mr. Pope: Anyway, as you can see, it goes back to 1915. Arguments took place when that act was passed, but it is clear in terms of the legal position that we have a law of Ontario of 1915 that says it is along the shoreline and not headland to headland.

I can only be helpful in further discussion of it by indicating that one of the things on the table, as far as we are concerned, and we have clearly said so, is the allocation of resources on and off reserve. The issue is not necessarily one of complete rejection of any sort of accommodation to the native people for resources that might be contained in the area between the headlands. The fact of the matter is that Treaty No. 3's position is that they had headland-to-headland rights to start with and we have taken them away.

Mr. Kerrio: Does that pertain more particularly to the water?

Hon. Mr. Pope: It pertains to the bays and the—

Mr. Kerrio: It would be somewhat like riparian rights that were given to some of the very early settlers.

Hon. Mr. Pope: Somewhat. Needless to say, this research paper takes the position that there was no such absolute granting of headland-to-headland boundaries. I can give you that paper and you can assess the arguments for yourself. There is also a paper from an analysis that Treaty No. 3 did that disagrees with this conclusion. I communicated the decision of the government to—

Mr. Kerrio: It would be easier to survey; you would not have so many broken trucks.

Hon. Mr. Pope: The only other thing I can helpfully add is that the decision was made on the basis of this research paper, and it is my information it was on the basis of the research paper alone. We have indicated we are ready to get into open discussions with respect to resource management, including areas that would have fallen under the headland-to-headland issue. There has not been much progress so far.

Is there any other—

Mr. Laughren: Staying with native rights, perhaps you could talk about the working group on hunting and fishing that the Indian Council of Ontario asked to have suspended because of lack of any progress. Is anything happening?

Hon. Mr. Pope: Yes. I should have advised you the other day, but it slipped my mind; I do not know why. On December 14 the tripartite committee is having a meeting and included in that are hunting and fishing issues. That has been set up for a couple of weeks. We have talked to participants in that working committee and have tried to indicate that we would like to get back to some discussions.

I should also add that in September I forwarded to the treaty organizations our proposal for a review of charges under the Game and Fish Act and under the Ontario regulations appended to the federal Fisheries Act. We are awaiting some response from them on that. I do not think we have received a response yet.

When we get involved in the general discussions on the principles of the co-management system which was first raised by Wally McKay in the meeting in May and, I think, accepted by us in the meeting in June, it was my feeling that part of the reason we did not have settlement of resource allocation issues related to the need to settle some of the outstanding land claims issues and to get involved in the description of what "land" means. We deem it to mean a plot of land that we own and the native people think that included in that—and I think I agree with them—is some resource allocation decisions that have to attach as rights to the land. In some of these communities that do not have any status, it has not been settled and that has been some of the hangup.

We are hopeful, in any event, that the working group is going to get back at the work. We think there can be progress, even if not on general principles. If anyone is prepared to accept that we can set aside some of our preconditions on both sides and get into some resolution of specific tribal or band problems, we can make progress in the working group. That is the message I have been trying to indicate to all of those people who are involved in it. I hope we will be back at it fairly soon.

Mr. Kerrio: It being nearly time to eat of the clock—

Hon. Mr. Pope: I might take a couple of minutes. The hearing on Mud Lake is by lands commissioner Grant Ferguson and is in Oso township community hall, Sharbot Lake, begin-

ning at 10 a.m. Monday, November 30. I indicated in my press release that anyone who wished to make a presentation could do so at the time of the hearing on November 30. I said if necessary the hearing would be extended one more day.

The other part of the announcement on page two said that the participants should file a statement of facts they wished to rely on.

That is a legal requirement apparently, but I will try to clear that up in terms of removing the technicalities and try to open it up to comment back and forth. I think there can be a good exchange of points of view without having any difficulties there, based on my dealings with the people, so I am not concerned about that. I will look into that problem and I hope by tonight we can get back to you on it.

Mr. McEwen: Can I ask one question? I had a request from local residents in my riding of Frontenac-Addington and the complaint was that individuals pay \$10 a cord for wood they cut for their own use, but commercial operators can cut as much as they like for \$3.50 a cord. They would like to know why the difference at this time when we are conserving fuel, oil, electricity and so on.

Hon. Mr. Pope: I will try to get you that information for this evening's session. I know there is a system of allocation on lots and bidding and there are a number of problems with respect to the size of the woodlots we are going to make available, but the issue of the fees charged per cord of wood is something I will have to discuss with the regional office. I will get it for tonight.

Mr. Chairman: Gentlemen, we stand adjourned until 8 p.m. this evening.

The committee recessed at 11:58 a.m.

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- Kerrio, V. G. (Niagara Falls L)
- Laughren, F. (Nickel Belt NDP)
- McEwen, J. E. (Frontenac-Addington L)
- Pope, Hon. A. W.; Minister of Natural Resources (Cochrane South PC)
- Sheppard, H. N. (Northumberland PC)



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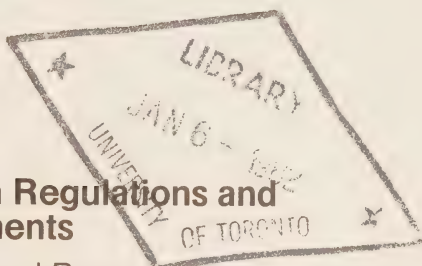
No. I-5

Legislature of Ontario Debates

Official Report (Hansard)

**Standing Committee on Regulations and
Other Statutory Instruments**

Estimates, Ministry of Natural Resources



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First Session, Thirty-Second Parliament

Thursday, November 19, 1981

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Thursday, November 19, 1981

The committee resumed at 8:01 p.m. in committee room No. 1.

ESTIMATES, MINISTRY OF NATURAL RESOURCES

(continued)

Mr. Chairman: Gentlemen, I see that we have a quorum. I would like to get into the first vote on the Ministry of Natural Resources estimates now that the preliminaries are done. If the committee members are in agreement, I would like to try to get through the first vote this evening. That gives us about two hours and 15 minutes.

Mr. Eakins: Maybe even the first two.

Mr. Chairman: I am all for that, Mr. Eakins. I notice that we have about nine hours and 20 minutes left on these estimates. I understand there will be a vote in the House around 10:15 p.m. at which time we shall probably adjourn. So after this evening we will have approximately seven hours left.

I would like some direction from committee members as to whether you will wish to meet at the regular times, which would probably take us through next Monday evening and Thursday morning and evening, or whether you would prefer to have, if you will, two marathon sessions of three or three and a half hours each on Monday evening and Thursday morning. That would permit us to finish the estimates by roughly noon or 12:30 next Thursday afternoon.

What are your feelings on that?

Mr. Stokes: I am not going to presume to speak for Mr. Laughren. He is the official critic. He should be here in a moment.

Mr. Chairman: All right, we will bring it up near the end of this evening's session.

Mr. Eakins: It does not matter that much as far as I am concerned, as long as there is an opportunity to go through all the votes, rather than doing the whole thing under 2501 and then racing at the end for lack of time. I would rather stick to the particular topics we have. I am willing to play it by ear until the end of this evening and then, if the NDP critic is here, we can discuss it.

Mr. Chairman: Very good. I propose that we proceed with vote 2501, item 1, and give the opposition critics as much latitude as possible on this first item of the first vote.

On vote 2501, ministry administration program; item 1, main office:

Mr. Eakins: I just have a couple of general questions under vote 2501. There are some other areas I would rather devote more time to.

Perhaps the minister can bring us up to date on any major changes that have taken place in ministry policy relating to good administration or in the personnel in his ministry. He could tell us whether there have been new directions as far as the administration goes, if hiring has been frozen, and so on—just a general overview of any major changes which have taken place, especially since you have been the minister, or any that you foresee.

Hon. Mr. Pope: We have had a number of retirements. One of the issues confronting us is that a lot of our senior staff are reaching retirement age. We are going to have a turnover not only this year, but for the next four or five years because of retirements.

Four of the five directors will be retiring by 1990, just to give you an idea of the job we will have to fill their shoes. They have been long-time employees of the ministry with a lot of experience in the programs and who have worked their way up. We will miss them and it is going to be rather difficult for a time.

As for new positions, we had wanted to exercise some amount of restraint not out of line with what has happened before. The head office staff has been dropping somewhat over the years with the emphasis being on the field staff, and that is continuing. We are trying to put a freeze on new conditions being created. Every time a vacancy occurs, we try to see if we can cover those functions with existing employees with some changes in responsibility. We are looking at options to make their work more economical from our point of view.

We have put a freeze on publications. There are a few hundred pamphlets out there, some of them on very specific issues, and that is fine and

good. But we want to review the entire operation to see if we can reduce the scope a bit and bring it up to date.

We have begun to plan a new publications program and a new communications program and we are still discussing this with staff and district managers to get their comments. We think we can make some improvements in the nature of the information we are giving out and in the form in which it is given out to make it more readily understandable and to meet the needs and the changes that have taken place in some of our programs over time.

Mr. Eakins: On publications, I personally have appreciated the publication put out by the Algonquin region. It is a very informative bulletin. Is it called *The Wren*?

Mr. Foster: It is *The Raven*.

Mr. Eakins: Yes, *The Raven*. It is good public relations for the ministry, as well.

As for changes in the ministry, will any vacancies in the top positions be filled by promotion through the ministry? Or will you, as some of the other ministries do, bring in people from the outside?

Mr. Laughren: You mean like Gordon Walker?

Mr. Eakins: The Ministry of Industry and Tourism, for instance, often brings in deputies from the outside. I personally feel you should be encouraging the people in your own ministry; if they do a good job, they are going to have an opportunity to move up.

I appreciate that Mr. Foster has been promoted from within the ministry. I think that is good for morale and I commend you for it. I just want to know if it will be the policy to promote staff within the ministry so they will feel if they do a good job, they are going to be rewarded for it.

Hon. Mr. Pope: We really have not changed the policy. We advertise internally and our emphasis is on internal promotion. Some positions, obviously, are filled by personnel from other ministries and there may be transfers between ministries. I have only been minister for six months, but I think the majority have been mainly promotions within the system.

Mr. Eakins: This may come under another vote, but since we are talking about administration generally, I should say I hear complaints from time to time that we should be hiring more conservation officers; that if we had more conservation officers, we could do a better job

in different fields. I wonder if you might speak on that.

At the same time I wonder if you might also speak about the community colleges. I am thinking in particular of Sir Sanford Fleming College of Applied Arts and Technology in Lindsay. It is a large college and it has a lot of graduates. A number of them probably go into private industry, but many would like to get involved with the ministry.

In your hiring practices do you encourage filling vacancies with community college and/or university graduates? I do not know if you have had the opportunity to do so yet, but I hope you will visit Sir Sanford Fleming. It has an excellent forestry school and very good people.

Hon. Mr. Pope: We naturally want to give graduate forest technicians employment and training opportunities as crew leaders in the ministry. We also have a policy of providing opportunities for experienced nongraduate technicians to fill the positions. It is really a mixture of the two.

Mr. Eakins: Could you explain your use of nongraduate technicians?

8:10 p.m.

Hon. Mr. Pope: A number of people work for us on a seasonal or part-time basis and have gained a lot of experience in the work. We do not want to discard that experience. At the same time we want to encourage the graduate forest technicians and make sure they see our ministry as providing opportunities for them.

It really is a mixture that we are trying to develop. Sometimes it works, sometimes it does not.

Mr. Eakins: I will finish with one more question. Then I will pass to Earl, who wants to bring up a matter. Since community colleges come under the Ministry of Colleges and Universities, what input do you have with regard to the college programs which are related to Ministry of Natural Resources operations?

Hon. Mr. Pope: From what I have heard we have some input by way of contact between the teachers at these different faculties and our staff about the nature of the courses and some of the content of the courses. I am not aware of details with respect to your particular college, but I have been at a number of seminars and I have met a number of faculty staff from different community colleges and universities.

Mr. Eakins: Some of them come from your ministry.

Hon. Mr. Pope: Yes.

Mr. Eakins: Because the graduates are going to be serving your ministry, basically, I would hope your ministry would have some input into the programs and the training given in the colleges.

Hon. Mr. Pope: Bill was just confirming that we have input in the designing of curriculum on an organized basis. The area I am most aware of is our involvement with the underground hardrock mining program that is in place in Sudbury. The Ministry of Colleges and Universities gives certificates of qualification for underground hardrock gold miners. The necessary skills and the testing of those skills are developed jointly by management and labour, and we have some input into that as well.

We try to encourage recognition of those training programs by the ministry. I understand we have even more interface with the Ministry of Colleges and Universities in forestry matters.

Mr. Eakins: I think it is very important. There are perhaps other questions I might ask but I will pass for now.

Mr. McEwen: I mentioned briefly to the deputy that I was concerned about a man who has been a seasonal employee of the ministry for eight years for probably four months of the year. He did not qualify in the Tweed district for the position of alternate crew leader. The district manager's supervisors, I reckon, only choose someone with a degree to be employed as alternate crew leader, probably at a higher salary. However, in areas such as Lanark this is not the case. They do recognize experience and continue to employ those who do not have a degree.

There is one point I want to ask you with regard to your retired employees. How many of them return as consultants, probably a month or two after their retirement?

Hon. Mr. Pope: As consultants to whom?

Mr. McEwen: To your ministry.

Hon. Mr. Pope: I am aware of two who retired while I have been minister, whom we have asked to do some work for us. I do not think it is a general practice.

As I say, I have only heard of two, so I do not think it is a general policy. But there are some specific items we need some help on. Some of it is a carryover, some of it is not. We do ask them to help out and pay them accordingly.

Mr. McEwen: How permanent a position would the second term of employment be?

Hon. Mr. Pope: Two or three months.

Mr. McEwen: Steady employment?

Hon. Mr. Pope: No, just on a project-by-project basis.

Mr. McEwen: I can point out one that happened during the last three or four years. A district manager retired and he was appointed to the ministry as conservation representative. He was employed as a consultant at Guelph. If a senior employee retires is he retiring on a pension? If you are employing him again for two or three months, you are depriving someone else of employment.

Hon. Mr. Pope: There is always the possibility that the contract will deprive someone else of employment. It depends on the individual's experience and whether or not he can help us. We have to make that value judgement based on the projects.

I do not know the instance with respect—Was he under contract back to us, or was he under contract to the conservation authority?

Mr. McEwen: I was just using that as an example. I do not wish to name anyone. Do you intend to continue with this practice?

Hon. Mr. Pope: Yes. As I say, it is not widespread, but on occasion we need these people to help.

Mr. McEwen: How many senior employees have retired in the last six months and how many will retire within the next year?

Hon. Mr. Pope: I cannot give you a one-year figure, but by 1990 probably about 75 to 80 per cent of our senior management will be retiring.

Mr. McEwen: If there are 15 retiring, how many do you intend to employ on a part-time basis?

Hon. Mr. Pope: I have only heard of two.

Mr. McEwen: In addition to the pension, what funds were involved?

Hon. Mr. Pope: We do not do it on a planned basis, and I have only heard of two. That is all I have heard of.

Mr. Stokes: I would like to spend a little time talking about the esprit de corps within this ministry. From the first time I ever had anything to do with it, and that was almost from the time I got elected, I realized that if I was going to do an adequate job on behalf of my constituents I was going to have to become more knowledgeable about this ministry and its predecessor, the

Department of Lands and Forests, than any other, since it is so important to the economic wellbeing of everyone in northern Ontario.

I came to learn somewhat later of the real, significant, economic impact the ministry has on the total economy of Ontario. When you get back into the Hedlin-Menzies report of around 1970 you are reminded that out of every 10 jobs related either directly or indirectly to the forest industry, four of those jobs were in the north where the resource was and six were elsewhere.

8:20 p.m.

You probably cannot answer this to the same extent that Mr. Foster could—and I do not mean to put him on the spot—but it has been my perception over the last 15 years that the spirit within this ministry was second to none. If there was anything wrong with lands or forests, or the way in which we handled our fish and wildlife—anything to do with this ministry—and you were critical of it, you almost had a fight on your hands. That is just how strongly they felt about the importance of the old Department of Lands and Forests and the part they played in it.

I must report to you, Mr. Minister, and to you, Mr. Foster, that I do not see that any more in this ministry. It may well be that people have become sort of blasé; people do not get the same kind of—

Listen, if you guys over there do not think this is important, why not get the hell out? This is the life blood of all of northern Ontario.

Mr. Sheppard: Do not judge everybody by yourself.

Mr. Stokes: You are tittering over there. If you do not think this is something important, why don't you do your tittering elsewhere?

I want to say to you that the esprit de corps that was once in this ministry is no longer there. I hope it is not because the vast majority of your people out in the field have sort of given up or are saying, "Things are going to go their merry old way either with or without us and so we are just coasting until we reach retirement and let someone else take over."

I know neither of you wants to see that happen; I certainly do not want to see it happen and I am sure most of the people in Ontario do not want to see that happen. I do not think I am being overly dramatic in that. I think this ministry is far too important to the economic wellbeing of this province and this country to allow that to happen, because you only have to look at the export value of what the resources in this province produce.

Everyone talks about agriculture and everyone talks about the important part everything else plays; this one beats them all combined by a country mile. It is far too important to let it disintegrate. I am not saying it is irretrievable or anything like that, but I would like to see this ministry get back to where it once was, where if I go out into the field and talk to a regional director or a district manager or a fish and wildlife supervisor I am going to have a fight if I am critical and I am really going to have to justify any criticisms I make.

That is not the case any more. They shrug their shoulders and they say, "Well, I guess that is the way it is and there is really nothing I can do about it."

I want to ask the minister if it is your perception that that is the way it is.

Hon. Mr. Pope: To answer your question: we just brought all the district managers to Toronto and had them all together with the executive directors of the different branches. I spoke to them last night, as a matter of fact.

The message I gave to them is that in the branches, in the different district levels, in the district offices, there is a need to look on these issues as a team. I said it is necessary to have the district parks people in, along with the district foresters, and look together at all of the issues facing us and provide some mechanisms, not only here but in each district, for working out the different points of view and the different needs of all of the different programs. I told them to get it all out on the table and have a frank exchange of views and come to some decisions and some accommodations for each other's functions and points of view, and then make some decisions and carry on from there as a united team.

Last night I spent quite a bit of time talking about the need for the team approach. In a number of my comments addressed to Mr. Laughren on the subject of forest management agreements I tried to indicate that what we were trying to do was to get everyone in the ministry together—from the fish and wildlife people to the forestry people to the parks planning people to the lands and waters branches people, everyone involved in this whole exercise—so we all were involved in determining programs in each branch. Every branch had an input into these kinds of decisions.

I spent a lot of time this summer meeting individual staff and trying to encourage them to help us out in these efforts, explaining to them the importance of the programs and that they

were the ones people looked to for implementing government policy and they were the front line and the most important people to us. I intend to follow up with that next summer as well.

We want to make sure that in terms of conflict resolution and of delivering programs it is done by everyone together—and, yes, I want to make sure there is good *esprit de corps*. Historically it is a great ministry with a lot of good people. I believe, and I think a lot of other people do, it is the best ministry in the government. We have to work together to make it even better. I have trying, through my own visitations and through my own efforts, to try and instill that kind of feeling.

I cannot speak about any historical ebbs and flows of morale. I am not aware of them. But I am aware that the parks branch cannot do parks planning in isolation from the foresters' points of view or from the mining people's points of view. You cannot have mine development or lands being taken out without parks looking at the implications in the long term from their point of view. A lot of fishing and conservation areas have to be addressed under forestry.

I am trying to say, "Let us get together and get into more intensive resolution of these natural conflicts," because the ministry now has branches that by their very nature attempt to utilize resources situated on the same land. Until we have an integrated system of resolving those conflicts and accommodating each other, we are going to have problems.

Mr. Stokes: It is absolutely essential that you continue to do that, because it is my perception we have a long way to go to get back to where we were within the ministry 10 or 15 years ago. I think it is a good ministry; it could be a lot better.

In northern Ontario and in rural Ontario generally, this ministry has the highest profile; it is the front line; it is where people go if they want to talk to someone about government, because it is so all-pervasive in the many areas you mentioned. I think it is absolutely essential that we restore this ministry to where it once was. I applaud you if that is what you are attempting to do.

Since we are talking about the main office and administration, I want to ask you specifically about liaison with other ministries, because hardly anything happens out in rural Ontario that your ministry is not involved in in some way or another. Of necessity, there has to be a good

deal of co-ordination with the activities of other ministries out in the field.

What kind of a liaison do you have with other agencies—and I do not want to get into anything in detail—particularly with the Royal Commission on the Northern Environment? I know there is no money in this ministry for the operation of that commission, but if you will look at its terms of reference, so much of what it was assigned to do has a very profound effect, not only on the present but future policies of this ministry.

I happen to know there are a lot of people out in the field—I am talking about people within your ministry—who are just agonizing over the inability of the commission on the northern environment to address itself to extremely important and current issues: to SLUP—although I do not want to talk about strategic land-use planning, I just want to refer to it—and to the West Patricia land-use plan; with regard to the forest management agreements; with regard to your parks policy; with regard to the way in which we are going to use those resources, and who is going to use those resources north of the fiftieth parallel, which was the area of reference for the Royal Commission on the Northern Environment.

8:30 p.m.

I know your people in the field just shake their heads, because I get copies of letters your regional directors and your district managers send out, reminding all of us of what they are attempting to do by way of public participation in the process that both leadoff speakers referred to in their opening remarks. It has not happened, simply because there is that buffer, that stone wall indicating: "We have only been at this process for four years. Perhaps in another two years we might come up with something definite."

They have spent more than any royal commission ever set up by this government. I am sure you know, just as well as I do, how frustrating it is for your people in the field to get on with planning, to get on with the dialogue with the public, the information meetings and everything else, when the commission does not even respond, it does not get involved.

As a matter of fact, while your ministry is trying to involve those communities in the Treaty No. 9 area in the whole consultative process, the Royal Commission on the Northern Environment is funding various groups up there to do companion studies, things your ministry has been dealing with and agonizing over for 10

years. While your ministry is trying to say to these people, "Please get involved so we know whether you think this is good, bad or indifferent," you have a commission that is going out and funding them to go their own separate ways.

You have to know. Do not take my word for it. Talk to the regional director in Kenora and his assistant. Talk to the district managers in Red Lake, in Geraldton and in Sioux Lookout. I am just wondering if this whole process is part of the reason there is not that *esprit de corps* we would all hope for in this ministry.

Are you aware of the frustrations being experienced and lived with by your people out in the field as a result of these kinds of things going on and the lack of any consultation in the overall process?

Hon. Mr. Pope: I am aware that with regard to the West Patricia land-use plan there is some frustration at the inability to get some response from the native communities and some definitive response from the commission with respect to our plans. I do not have to tell you this; you know we have made a lot of efforts to communicate. We have put the commission on the mailing list. We have translated their documents into the language of the native people in the area and sent them out to try to keep them advised of meetings.

We know the commission on the northern environment has attended some meetings we have held, both on forest management agreements and on the West Patricia land-use plan. We hope the information we are supplying to them, and it is a pretty massive amount, is going to be helpful to them in their work. I do not know to what degree it is being used by them.

We also are aware there is a possibility of companion studies being undertaken, not only by the commission itself but also by the native groups. You are quite correct, under the funding mechanisms we have been trying to assist—or perhaps short-circuit, I do not know—that process by making available pretty well all of our fish studies, for instance, and our wildlife studies directly to the native people and also to the commission. Even if on an unorganized basis, we hope that kind of information may reduce the cost of preparing their final report. I have no guarantees of that.

I think that is all I can helpfully add. I do know our staff naturally feels there could be more co-ordinated work, maybe duplicated hearings held at the same time and this kind of thing, that would be of assistance to both of us.

Mr. Stokes: I have some more under this vote but it is the last item and I do not want to be jumping all over the place. I was just dealing particularly with administration and office policies.

Mr. Runciman: Mr. Chairman, I have a question related to what Mr. Stokes was saying about the *esprit de corps*. Mr. Minister, is there a policy in terms of response from district managers to inquiries from MPPs?

Let us say Mr. Stokes, for example, inquires of a district manager about a watershed situation or something like that. Can the area manager respond in writing explaining the situation directly, or does that query have to go through Toronto for approval? The understanding I have is that before a district manager can respond directly to an inquiry it has to be directed through the Toronto office for approval prior to the reply expressing the position of the ministry being sent on to the member. If that is indeed accurate, I am wondering why that policy is in place.

Hon. Mr. Pope: I do not think that is the policy. I think the policy is that we want to know what communication is going on, so if local questions are raised in the House we are aware of the answers that have been given.

Mr. Runciman: This is prior to the reply being sent on to the member?

Hon. Mr. Pope: Yes.

Mr. Runciman: So in a sense it is a kind of censorship role.

Hon. Mr. Pope: No.

Mr. McKessock: Prior to or at the same time?

Hon. Mr. Pope: I do not know. I see the letters and they are typed up in letter form.

Mr. Runciman: I was relating this to the morale situation. I have not bumped into a morale problem in my own area but if there is, I am just wondering if this has some effect on it.

Mr. McKessock: There would be a two-week delay problem too.

Mr. Runciman: Yes, there is a delay in the MPP's response to his constituents' concerns. I am just wondering if it is necessary to do it as an approval process. If the minister is simply made aware of the circumstances, would that would not be sufficient?

Hon. Mr. Pope: It is hard to give you a definitive answer on that. It depends on whether or not it is a policy issue that has not yet been decided or a policy issue that needs some explanation. There are a number of factors.

For instance, there may be questions raised by the local member with respect to funding. A number of members have written to me about program approvals versus funding approvals for conservation authorities and the district managers often have some difficulty in trying to determine when things will be funded. Many times they are being asked their opinions on policy matters as opposed to factual matters.

Mr. Runciman: I will just apprise you of a situation that could cause some problems. I do not know if it causes problems to anyone else but it may cause problems for your personnel.

I have had situations where I have asked about a concern of constituents and a ministry official will phone and say, "Your secretary can take my response down in shorthand." If you want a response immediately, the only way you are going to get it is by a verbal response, taken down in shorthand.

Hon. Mr. Pope: Quite often there are verbal responses given on the phone and that has not changed. I get it myself. You are not saying to me that our district staff will not talk to people on the phone?

Mr. Runciman: No, I am not saying that. I am just saying that if there is a problem about being afraid of putting anything in writing, that may be a concern in terms of morale that you might want to look at.

Mr. Laughren: I do not want to delay on this vote either because I think most of us want to get into the actual votes, but there are a couple of questions I want to put that are appropriate under this vote.

Every other time I have been at a major ministry's estimates—and I consider this a major ministry—the heads of the various branches or departments within the ministry were here to answer specific questions. That served two purposes, I felt. One, you really did have expertise available you could not possibly expect even a minister to have, or even a deputy for that matter, because of the expertise within each of the branches. Secondly, it must have made the senior personnel of the ministry feel involved in the process and a part of it and important in the debates or the running of the ministry.

8:40 p.m.

I am wondering if this is a policy of the minister, or why this is so, I suppose it has nothing to do with the expenditure of money, but it has to do with the way the ministry

operates, which is what we are concerned about.

Hon. Mr. Pope: It is not unique. Some other ministers have done it. Mr. McKeough used to; Mr. Lawrence did it on a couple of occasions.

Mr. Laughren: No.

Hon. Mr. Pope: I am sorry. I have checked this out. Mr. Rhodes did it on a couple of occasions; and, quite frankly, the reason I am doing it is because I want to gain the experience by having to answer your questions directly.

Mr. Laughren: I see. That is an answer.

Mr. Eakins: They are saving on overtime.

Mr. Laughren: I think you pay a price for that, though, within the ministry. That is all. I am guessing at that, but that is my sense. I have no way of knowing that for sure.

The other thing, because my colleague raised it, is the whole question of the Royal Commission on the Northern Environment. I guess it most logically fits in here, although in vote 2502 there is reference to that commission which you and the chairman, in some kind of strange fashion, ruled had nothing to do with expenditures of money in the ministry. Anyway, the reference is there, but since you have ruled that way, I presume I shall have to ask you about it under the head office vote.

I should like to know a couple of things about the relationship between the Ministry of Natural Resources and the Royal Commission on the Northern Environment. I should like to know what branch within the ministry works with or has dealings with the commission, and vice versa; that is, if the royal commission wants to refer something to the ministry or ask questions, where is that done and who does it go through within the ministry?

Secondly, I should like to know about reports that have been done, commissioned by the royal commission. I know that you do not answer for royal commissions, I am not trying to set up that scenario either, but has this ministry received reports from the commission that have been commissioned and completed, but not released, and does this ministry get any of that at all?

I should like to know to what extent the royal commission has had correspondence with this ministry on the strategic land-use planning process in particular, on the peat symposium up in Thunder Bay about a month ago, and to what extent this royal commission has commented on the desirability of having the forest management agreements subjected to the Environmen-

tal Assessment Act, which some people think they should be.

That is my series of questions on the royal commission.

The other question, which is totally unrelated to that and is I believe the last one I have on the head office vote, has to do with the building of roads in northern Ontario. This seems to be spread throughout the different votes in the ministry estimates, and I am sure that is true. I am sure there are different branches or divisions within the ministry that have to do with the building of roads. In one case it has to do with access to a resource and in another it is an agreement among the Ministry of Northern Affairs and the Ministry of Transportation and Communications and the Ministry of Natural Resources. I would be interested in knowing about the exquisite negotiations that go on in that regard.

Those are a couple of questions to which I would be interested in having answers.

Hon. Mr. Pope: First of all, Mr. Pyzer, in Kenora, and the assistant deputy minister for northern Ontario have the most direct contact with the commission. As I indicated earlier, the commission is on our mailing lists. I have not received, and I am not aware of anyone in the ministry having received a report prepared but not published by the commission.

As I say, I personally know nothing of them. We are not aware of anyone in head office who has anyway. The commission has sent people to a number of our open houses. As I indicated earlier, the commission is on our mailing lists. We try to provide as much information as we can to them.

Is there anything else?

Mr. Laughren: To what extent did the commission have anything to do with the SLUP process? I see the mandate of the commission being very closely related to the mandate of the SLUP process and I want to know to what extent there is some kind of tie-in there. I have felt for some time now that either there is overlapping, or one of them is not doing its job. The mandates are remarkably similar—not totally, I understand that—and I am wondering to what extent there is any kind of dialogue between the ministry and the commission.

Hon. Mr. Pope: My understanding is that at the district or staff level there is quite a bit of dialogue and there is quite an exchange of information between ourselves and the commission.

To what extent that results in any recommendation the commission may come up with I do not know. We could only speculate. I have not seen any report, even an interim report, so I cannot say what results will come out of that kind of communication. I do know I have heard from district managers that they do have phone contact and do have exchanges of information on a regular basis.

Mr. Laughren: But there is no laid-down policy by your ministry to avoid duplication or conflict between yourselves in the SLUP process and the royal commission?

Hon. Mr. Pope: There has been no conflict yet, so—

Mr. Laughren: No, I am not suggesting there has been, but I am saying there must be some overlapping if you are not mutually excluding topics from your studies.

Hon. Mr. Pope: I would presume there would be.

Mr. Laughren: Is that a heroic assumption?

Hon. Mr. Pope: No, cautious, I think.

Mr. Laughren: A cautious assumption. I see. I would be interested in knowing, before the estimates are over, just what arrangements have been made there. I do not expect you to have every detail under your hat, that is why I was wishing there were more Ministry of Natural Resources experts here, real experts.

I can pursue that later in the estimates, if you like, next week.

Mr. Stokes: I can assure you there has been no dialogue. That is the problem.

Mr. Laughren: That is my suspicion and I think that really is a heroic assumption you are making, Mr. Minister.

Hon. Mr. Pope: Maybe I could deal with that. They are on our mailing list with respect to the West Patricia land-use plan. They received all of our background documents—

Mr. Laughren: So have I, and I know how much that means.

Hon. Mr. Pope: Let me proceed. I know you were very excited about it. You wanted more copies.

Mr. Laughren: I was. You sent me a history book.

Hon. Mr. Pope: The other thing is they did contact my office in Timmins and the district office in Timmins. They did attend at the Iroquois Falls open house with respect to the Iroquois Falls Forest FMA. They did ask

questions there; I think it was Ruth Burkholder who went there from the commission office in Timmins. I understand they similarly appeared in Thunder bay at the open house. They identified themselves, asked for copies, and asked a couple of questions about the process.

I know they went to at least one of the meetings for the West Patricia land-use plan and again indicated they would be coming.

That is the information I have. If you are asking about contact with field staff from the different branches of the ministry, we can try to get that out of the Kenora and Thunder Bay offices for you.

Mr. Laughren: Okay. The other question had to do with the road building. I was trying to figure out how much money you spend on roads as a ministry, and isolate the FMA commitments from the other kind of road building that goes on in the north. I know you are very enthusiastic about road building, or the ministry is.

Hon. Mr. Pope: On page 40 we have a breakdown of the—

Mr. Laughren: Of the buff booklet or the—

Hon. Mr. Pope: Yes.

Mr. Laughren: This is two pages after the reference to the Royal Commission on the Northern Environment.

It is probably difficult to give me an answer right now.

8:50 p.m.

Hon. Mr. Pope: That gives a breakdown and on top of that there is the forest management agreement breakdown, which we are going to give you, between roads and reforestation. But that is all of the other programs in the ministry and then on top of that is the FMA program.

Mr. Laughren: Oh. So they are separate from this \$10 million here? That is quite an increase, 25 per cent in 1981-82.

Hon. Mr. Pope: Yes.

Mr. Laughren: But that has nothing to do with the FMAs?

Hon. Mr. Pope: No.

Mr. Laughren: I did not realize that you have this money. I shall be—

Hon. Mr. Pope: I was worried about that when you embarked on it. I remember a letter from you.

Mr. Laughren: Yes.

Mr. Eakins: Was it a "Dear Alan" letter?

Hon. Mr. Pope: Yes.

Mr. Laughren: "Dear Alan"? Jeez. I guess you could probably use the odd "Dear Alan" letter these days.

Mr. Sheppard: Mr. Chairman, I am sorry I did not come back in at eight o'clock. This morning we were talking about growing rice and other things; I would like to ask the minister if he has ever considered restocking Rice Lake. The reason I ask you, Mr. Minister, is because I live in the middle of the south shore of Rice Lake, and Rice Lake was named after—

Mr. Laughren: A conflict of interest there.

Mr. Sheppard: —the rice growing in Rice Lake. I would just like to ask you, Mr. Minister, if you have ever considered restocking Rice Lake. Rice has quit growing in Rice Lake on account of the Trent canal system.

Mr. Stokes: That is vote 2504.

Mr. Sheppard: Have you ever considered investigating the replanting of rice in Rice Lake, Mr. Minister?

Hon. Mr. Pope: I have not, but I will.

Mr. Eakins: You will probably want the rights to it.

Mr. Sheppard: After all, I live right in the middle of an Indian reserve, Mr. Minister, and they certainly go to other parts of Ontario to get rice to sell in the reserve. We have two or three places in Alderville Indian reserve where they sell rice. They go to northern Ontario or towards Ottawa to bring back what they call black rice, and it is a great seller.

I wish you would consider looking into it, because I am sure that the Indians in the Indian reserve of Alnwick in the great county of Northumberland would certainly appreciate it if you would consider it.

Mr. Laughren: Are you going to ask him to help Indian people with their wild rice problem? He is the wild rice problem.

Mr. Brandt: That is your personal opinion.

Hon. Mr. Pope: Our policy, with respect to the allocation of the resource also includes some consideration of the development of it. Certainly if the native people on that reserve are interested in harvesting this crop, the processes of the act are available to them and we would be glad to help them and encourage them in—

Mr. Laughren: You changed your policy.

Hon. Mr. Pope: No. I told you this morning about the act. You told me to break it. I am just telling you the act is there and if this band would like some encouragement to get involved in that harvesting process and also in getting wild rice

back into Rice Lake, we would be glad to assist them.

Mr. Eakins: Just briefly, Mr. Chairman, Mr. Minister, I just wanted to follow up a comment made by my colleagues, Mr. Stokes and Mr. Runciman.

Mr. Stokes made a good point and that is the esprit de corps and the respect in which the ministry was held. I know that in the years when I was growing up under the old Department of Lands and Forests it was probably the most respected ministry of government; you looked up to the people and I still do today. As Mr. Stokes has mentioned, I just feel we must take every precaution to make sure that esprit de corps is still there and that the people in the ministry are still respected for being the professionals they are.

One of the ways in which this might be maintained has to do with rapport and communication with the field staff. I mentioned at the opening of the estimates that I have excellent co-operation with your three district managers in my riding, but one of the things I find in all ministries in government here—and I think it is important with Natural Resources—is that there should be planned field trips. We have been doing this to a degree in my riding with Mr. Gray and with Mr. White, in Minden. I feel that perhaps we should be doing it on a regional basis and perhaps on a province-wide basis.

Something that might be initiated, since we have a new minister and deputy minister, would be to pause at some stage and take a period of time to review the functions of the ministry by field trips. I do not think we can sit around a table at Queen's Park and talk about the affairs of the Ministry of Natural Resources and not know what we are talking about.

We have members from northern Ontario and southern Ontario; I think we should be touring some of the facilities and having a first-hand look. In that way we would have a greater rapport with and a greater respect for your people in the field, and they for us, as members.

Sometimes there is that little feeling of "I must be careful because of the political approach." A lot of that could be broken down if we take a period of time, a couple of weeks, a week or a few days, and visit some of the areas you are responsible for in forestry in northern Ontario, to visit the fish and the wildlife areas and see some of your conservation work in other areas. That in itself would remove a lot of that feeling

of lack of communication—and I say that very sincerely.

I am a member who has not been here very long, but in my six years here I have noticed there has been very little overall communication between the members of all parties and the operation of what the government owns. I know some ministry operations, like Culture and Recreation's Bark Lake, a leadership camp in Haliburton. I will bet you that of all the members at Queen's Park only two or three know it even exists.

This might happen within your own ministry and I suggest you might consider that at some stage there be a pause when, first of all, the members of this committee might be able to tour the facilities, an all-party committee. Let us take a look at what we are talking about, rather than imagine what it is like in the field.

I would like to know more about northern Ontario. I would like to know more about the fish and wildlife program; I would like to see it out in the field.

I just throw that out as a suggestion for better rapport among the members, your field staff and your ministry staff at Queen's Park.

Mr. McEwen: Bring fishing poles along.

Mr. McKesock: I just wanted to follow up on a point which was made earlier. It was mentioned that there was not too much staff here. The minister said he wanted to respond himself. You must have a pretty heavy work load in taking on a lot of these things yourself. I was wondering if this is the reason for the fairly slow response to letters.

I know I have written at least a couple of letters to you and I will go over them later when we get into the right vote. One of them had to do with the snowmobile club grants, which according to what I have read in the paper have been approved. I have had a lot of contact with people wanting these grants.

We were talking earlier about the morale in the local offices. I have had great co-operation from the local offices too, but I found that when I called them about these snowmobile grants and told them I noticed the paper had said they were going to be reinstated for another year, they said, "We were talking to the office this afternoon and they told us nothing about it."

Maybe the correspondence between yourself and the local offices leaves something to be desired. You would think that those offices would be informed sooner than the press, or at least at the same time, so they too would know what is going on.

Hon. Mr. Pope: With respect to the substance of the snowmobile club grants, the reason you have not had a specific answer when there was a request for a grant is that we have been obtaining information from every club in the province and from the provincial association or federation as to what their needs are. We had a meeting with the association and the federation and we told them to contact their member clubs, give us a list of priorities and we would try to do our best to fill in the most urgent problems.

9 p.m.

The program has not been extended, but we did agree with the representations that were made to us that the end to that program would cause some carryover problems of existing commitments that in all fairness should be met. We agreed with that position.

Based on that, we did put some carryover money in place for them. Within the next couple of weeks we are going to be making decisions on the allocation of the money, on the basis of the need and on the basis of further consultation with the organizations involved. That is probably the reason why you have not had a specific answer to that question from me.

Mr. McKessock: It was not a specific one. I had heard from several snowmobile clubs that were in opposition to the program being cancelled.

Hon. Mr. Pope: I have heard from them as well and I have heard from several which are in opposition to the program ever being started. It is one of those issues we are trying to sort out. There will be no direct grants. We issued a news release for the information of all the members, the media and the clubs. Our staff was aware of our policy. I do not know how soon after the news release you communicated with them.

Mr. McKessock: The same day.

Mr. Eakins: Was there a release that went out to the members?

Mr. McKessock: I do not think so.

Hon. Mr. Pope: I think it did.

Mr. Wildman: I got it.

Mr. Eakins: We will be discussing this under vote 2503 anyway, will we not?

Hon. Mr. Pope: Was there another point here?

Mr. McKessock: No. I have other letters that have not been responded to. I will bring them up under the proper vote.

Mr. Wildman: I have a number of things to raise under the main office on the first vote on the operations of the ministry with regard to the decisions which are made at the central headquarters and how they affect the regions and the districts.

Specifically, I would like to pursue the relationship between a decision that was made in 1979, apparently by someone in the central office here. We had meetings with the former minister regarding it; namely, the decision to rationalize the districts and to close a couple of districts, one of which was in my riding, and to amalgamate those districts with other districts supposedly to save money.

At the time, I raised concerns on the basis that the philosophy of the ministry earlier had been to give more power to the districts, to decentralize the operations of the ministry and to ensure that the management decisions on resources—whether they be mineral, forestry or recreational resources, whatever—would be made at a local level, at a level much closer to the resource and to the people affected. Specifically, I am referring to the decision to close White River in my riding. I believe the other one was in eastern Ontario, Carleton Place, or some place like that.

Just recently, in answer to a written question I put on the Order Paper, I received an answer from the ministry regarding the cost that seemed to entail, because I have noticed, as have many others, quite an expansion going on in the Wawa district, which is also in my riding, before and since the closure of the White River district. I will not get into the argument over whether or not it really saves money to have people who used to be located in White River now operating out of Wawa, 60 miles away, and travelling back and forth, leaving the Wawa district office in the morning and driving to wherever their work is in the field, and then coming back in the evening, taking up the automobile or the truck and the gas and the time involved.

While you are dealing with that, I asked specifically for figures on the expansion in Wawa. The minister replied to my question in an answer signed by the deputy minister, giving the cost of the Wawa expansion to date from 1975 to 1981.

I note there was an expansion of \$24,000 in 1975; \$64,000 in 1976; \$5,000 in 1977; none in 1978; and \$68,000 in 1979. In the year subsequent to the closure of the White River office, the figure was \$299,000 and in 1981 it is \$88,000 so far. You are proposing an expenditure of

approximately \$50,000 in 1982 and \$200,000 in 1983, at which time the project will be basically complete.

It gives an indication of what kinds of facilities are being established and expanded in Wawa. It states, "The amalgamation of the Wawa and White River districts emphasizes the need, and some changes in priorities allowed for an earlier start to improving our facilities in Wawa."

It points out that since the amalgamation almost all of the office operations have been carried out in Wawa and that warehousing, vehicle maintenance and building maintenance formerly carried on in White River are now done in Wawa. Then it argues that most of the field work is still done in White River, which no one could argue with. You cannot really move the forest or the trees to Wawa even if you can move the people and the equipment.

At the time this decision was made, I argued, as well as the local people in White River, that this seemed to me to be a denial of the basic philosophy of the ministry; that is decentralizing. I know when they talked about decentralizing they talked about decentralizing from Toronto and from the regional offices, but by decentralizing they did not necessarily mean closing districts that had been in existence for some time.

I am not arguing that they could not do so, but I really would like to know if this \$299,000 expansion in 1980, which is continuing at the rate of \$88,000 in 1981 and is to continue with \$250,000 more approximately, is simply something that would have happened anyway even if the White River district had continued, which I find very hard to believe, or if it is happening as a result, at least partially, of the closure of the White River district.

If that is true, when one combines that expenditure with the additional operating costs that must be entailed with all of the travel back and forth and with the cost—I would say cost, although you could not put a dollar value on it—of not having staff working as closely with the community and with the people whom they are managing as well as the resources, one really wonders about this whole thing.

The decision was made down here. It was not made, as far as I can ascertain, even at the regional level. It was made in the main office. When we met with your predecessor, he said he would have it reassessed, and that of course led to nothing. I suppose there was some sort of reassessment, but the decision was confirmed.

I would like to know what kind of consultation concerning these kinds of decisions goes on among the district level, the regional level and the main office; whether or not we are really being penny wise and pound foolish in this kind of an approach; and how you would justify this kind of expenditure at Wawa. It certainly benefits Wawa, there is no question about it, and that is in my riding. But it had a devastating effect on White River as a community, and I would suggest it probably has had some serious effects on the operations of the ministry in what was the White River district in the past. I would be interested in the comments of the deputy minister or the minister on that.

9:10 p.m.

Hon. Mr. Pope: It is my understanding that the Wawa building was virtually replaced because it was in such bad shape. It had been condemned and there had to be some improvements made there.

Naturally, I guess we get into an argument as to how much would have been spent without the move and how much would have been spent because of the move. I cannot answer that question; I doubt that anyone could. From my limited experience I know that in normal circumstances discussion takes place between the district manager, who is trying to promote those kinds of improvements or changes of location within his district, and the people who run the capital expenditure program out of head office. I cannot answer whether or not this did or did not take place in that instance in 1979.

Mr. Wildman: While I would not deny the need for a replacement of some of the facilities that were in Wawa, and they are being expanded, the question is would the expansion now going on be as necessary if you had maintained your operation in White River in the same fashion? Now there is a situation in White River where there is a large number of vacant buildings. You are expanding your operation, building new buildings and new facilities in Wawa, while you have vacant buildings.

I suppose you could argue that you do not have vacant buildings; Government Services has vacant buildings in White River. The fact is you had a number of homes for staff, the administration building, the garage and a number of other facilities in White River that are not now being used. On top of that you have all the travelling expenses, the additional wear and tear on your equipment and the fact you have people who are driving at least an hour to an

hour and a half in the morning and an hour and a half again at night to get to and from where they are supposed to be working. You are moving people farther away from the resources they are supposed to be managing. It just does not seem sensible to me.

The council in White River has given up on this. I do not anticipate that you are ever going to reverse your decision. You might decide to get back closer to the resources. The question then arises, what is going to be done with the buildings? Every time anyone approaches your ministry, you say Government Services has to deal with that. You go to Government Services and they say this all has to be handled on a tender or auction basis or something like that, and nothing seems to be happening. A couple of the buildings are being rented to employees of Abitibi.

I think you have had correspondence with the municipality about that aspect. In terms of restraint, if you want to use that argument, this whole approach really does not seem to sensible to me. I still do not see any justification for what has happened there.

I would certainly encourage you, if your ministry does not intend to make some greater use of the government-owned facilities in White River which used to be Ministry of Natural Resources facilities, to encourage your colleague the Minister of Government Services (Mr. Wiseman) to do something to dispose of those buildings so that they are used for some purpose useful to the community.

As you may know, there is a possibility of a mine opening in the Marathon area and the municipality is attempting to encourage the location of employees there. Perhaps some of those buildings could be put to that use. Government Services does not seem to be particularly interested in moving those buildings on to the market and getting away from having a lot of empty buildings sitting there. I will not prolong this, but I would hope we could have some kind of action on that matter.

I would like to raise a couple of other general policy questions, one of which has to do with the policy of the ministry in regard to access roads. I know my colleague, the member for Lake Nipigon (Mr. Stokes), has also raised this with the Minister of Northern Affairs (Mr. Bernier). It seems there is a lot of pressure on the ministry from various interest groups with regard to forest access roads. I do not think any of us here

would argue that if public moneys are spent on a road, that road should be open to the public.

Mr. Eakins: What vote is that under?

Mr. Chairman: That question would be more properly put under vote 2502. I am trying to be as liberal as possible.

Mr. Wildman: I would not want to turn you into a Liberal.

Mr. Chairman: Small "I" liberal.

Mr. Wildman: The reason I am raising this particular matter now is because of the context, which relates to a number of other ministries. I think that would come under general policy decisions at the main office.

Mr. Chairman: Go ahead.

Mr. Wildman: The Ministry of Industry and Tourism has had some input into your policy direction with regard to forest access roads. That ministry, as well as the Ministry of Natural Resources through its land-use permits, has given leases on outpost camps, et cetera, on interior lakes. So, if companies are building roads towards those lakes, many lakes that were formerly inaccessible are now far more accessible by foot, four-by-four vehicle, snowmobile or whatever.

I know that Mr. McCormack attended a meeting in September with a number of outfitters from the Northern Ontario Tourist Outfitters Association to discuss this policy. I understand at that time he asked them, and I am paraphrasing now, to prove that the tourist industry was as beneficial to northern Ontario as the forest industry. As it is, these outfitters are arguing in many cases that local hunters and fishermen should not have access to these roads, that gates should be put up.

Mr. Stokes: I hope you do not believe that.

Mr. Wildman: No. The local people obviously do not agree with that.

However, a road in my area, the Esnagi Lake road, on which your ministry spent money, has been closed. So, while you tell the outfitters you want to keep the roads open because public moneys were spent on them, a concept I support, you build or upgrade a road for your own purposes and when the work is done you close the road. The local people protest this action.

In our area the road network will eventually be such that one will be able to drive all the way from Wawa to Hearst on bush roads. But you are saying, "Maybe we should close these

roads." I would like to know really where you are at.

You are being pressed by the Ministry of Industry and Tourism and the outfitters to look at closing roads. You are being pressed by people like us and by the local people to say that because public moneys are spent on these roads you will not close them. The companies, of course, want to have the roads as close to their cutting areas as possible.

Do you have an overall policy, or are you just reacting to being buffeted by pressures from all sides? You seem to be saying, "We will close some roads and leave others open." You do not seem to have any overall policy.

Hon. Mr. Pope: It is true that a number of interest groups have different points of view on the matter. I understand as well as you do the feeling of people who live in northern communities with respect to access to resources, fish and game and outdoor recreational opportunities, and the expectations of the people based on their past activities and the traditions up there. I understand all of that.

9:20 p.m.

We are now and have been over the last two months looking at all of the issues surrounding road access. I think it is one of the major issues that has to be addressed in the context of the forest management agreements. We had a bit of discussion on that last week.

The final policy has not been decided yet. We are meeting with the Northern Ontario Tourist Outfitters Association next week. They want to have a session with our staff and put their point of view forward. The forest companies have their own point of view, which is not necessarily that of NOTOA, because of the costs they would incur. There are also local hunting and fishing groups that have their point of view on the subject.

Whether we have an absolute policy of immediate open access, or whether we have a phased policy, I think it is clear that in the long term more and more parts of northern Ontario are going to be opened up and be accessible to the public through a road program. How we time that, how we try to pay some attention to the potential economic problems that would cause the tourist outfitters is something that has to be addressed in the context of this road policy.

However, I want to re-emphasize that we are talking about a short-term policy, or a receding line. What the particulars of the policy will be I

cannot tell you at this time, but we have had a number of meetings on the issue with our staff down here. We are trying to prepare a comprehensive policy to be attached to the forest management agreements so that when all of that documentation is produced to the public, people will be aware that, yes, we have addressed that issue and we have come up with some ideas on how we can apply a policy.

Even if we should have a general policy in the ministry we have to make application decisions of some sort relating to the timing of the roads, the location of roads and the road construction program in the context of the forest management agreements. Our decisions with respect to access may have an impact on our decision with respect to location. That is why the whole thing has to be worked out before the FMA is finalized.

Mr. Wildman: Over the last couple of months the district manager of the Wawa district has been having meetings with many groups and is proposing the closure of roads that will be built by the companies under the FMA program. Is that an isolated situation, or is it something that is happening in other areas of the north?

Hon. Mr. Pope: It must be an isolated case. I certainly am not aware of any managers who are enunciating that kind of policy because they have been advised that we have not settled on one. It is an issue we have been talking about to the district managers in order to get their input. But I think we left the clear impression with them that we are having a look at the whole thing and that they should keep their powder dry until the matter is settled.

Mr. Wildman: The district manager in Wawa has not taken a position. He has had all kinds of meetings in which he suggested this might be done and asked for reaction. You can imagine the kind of reaction he is getting.

Hon. Mr. Pope: It is probably as a result of our meetings during the summer that we have asked him to do this. One reason is I am anxious about the reaction of the local residents as well as that of organized groups.

Mr. Wildman: The only other question I have under general policy in relation to other ministries refers to one of the questions my colleagues were raising about wild rice and the relationship with the Indian organizations and Indian bands.

I would like to know what interaction there is between this ministry staff and the Provincial Secretariat for Resources Development, which

is supposed to be responsible for native affairs. I use as an example the amount of correspondence I have been getting, copies of letters to this minister and also to his colleague, Hon. Russ Ramsay, from H. Bruce Crofts. The minister probably has extensive correspondence from Mr. Crofts in his attempt to get information regarding the Reed proposal and the original proposals that were made. This, of course, is in his capacity as adviser to the Islington band.

Mr. Crofts keeps writing letters asking for specific information and for some reason he gets answers from Mr. Ramsay saying that "the Minister of Natural Resources will supply this information to you." He complains that either he does not get answers from your ministry, or if he does they indicate that he has already received the information, or that they do not know what he is asking for, and so on. It seems that the two ministers are passing him back and forth.

Who is responsible for responding to the requests of Mr. Crofts and the Islington band? Who is responsible for dealing with this in such a way that we can finally get some liaison and have the matter resolved?

Hon. Mr. Pope: I do not think there has been any lack of contact with the Islington band. Mr. Crofts may not appreciate the fact we want to negotiate on the basis of mediation and not through him. However, we have Mr. Bugar, who has been our negotiator all along, both for Mr. Ramsay and myself, with respect to the outstanding issues. We happen to think that the mediation process is the way to resolve these issues.

We have laid all the information on the table. We have made detailed proposals to the Islington band. Given the history of some questioning last spring from the Leader of the Opposition (Mr. Smith), we do not think the way to negotiate a settlement with the band is by using Mr. Crofts and the House.

A number of negotiations have taken place. A number of assessments are being done on our offers by the Islington band, and we are confident the process we are following is the way to resolve this matter. We have never withheld information from the band and we have had Mr. Bugar on it pretty well full time for two years now. We have given massive amounts of detailed information and we have made some specific concrete economic proposals to that band with respect to resources.

We think the process is working. It is difficult

and it is protracted, I will admit that. We wish it was over and I would bet the other side wishes it was over. But we think the only way to make progress is to get both sides to settle down to the mediation process and get their points of view across the table.

Mr. Wildman: Mr. Chairman, I do not want to be provocative; I ask this in a sincere and serious way. Am I to understand from what the minister said that he feels it would be better, and is better, for either Mr. Ramsay or the Ministry of Natural Resources to deal with the Islington band directly, rather than dealing with Mr. Crofts? Is that what you are saying, Mr. Minister?

Hon. Mr. Pope: I am saying that Mr. Crofts, if he is in fact involved with the Islington band in the mediation process, can make his request for information in the mediation meetings. I am not aware that the Islington band has ever claimed that we have not provided them with information.

Mr. Wildman: Mr. Crofts wrote a letter to you on October 22, to which he attached two letters which he claims are unanswered—one dated April 7, 1981, and the other June 23, 1981—in response to a letter Mr. Crofts received from Mr. Ramsay saying the information had already been provided. Mr. Crofts says these letters were unanswered. Are you telling me that they were in fact not answered because Mr. Crofts wrote to you for the information rather than asking for it at a mediation meeting?

Hon. Mr. Pope: I think Mr. Crofts is interpreting whether or not we answered his questions. We have had correspondence with him.

Mr. Wildman: You are saying that as far as you are concerned you did answer his letters?

Hon. Mr. Pope: In fact, I have a letter from him on my desk right now. I have been reading it for the last few days.

9:30 p.m.

Mr. Wildman: It is that long, is it?

Hon. Mr. Pope: It is a very complicated process. One of the problems is, do we amend our positions, or get involved in discussions with Mr. Crofts, or do we try to force everyone to the mediation people? One of my hangups is I do not know where this whole exercise of letter writing is going. Let us sit down at the table.

Mr. Wildman: When is the last time you were at the table?

Hon. Mr. Pope: We can get you that. He has been there continually for two years, I can tell

you, because he was a branch director and we had trouble meeting with him because he was involved in this process. But we can get you the last date of the mediation meetings.

Mr. Wildman: Okay. Surely you would agree that it is up to the Islington band to determine whether or not Mr. Crofts should be involved?

Hon. Mr. Pope: Yes, and I assume that if they want him to be involved he sits in on the mediation meetings.

Mr. Wildman: All right, I will leave that.

Mr. Chairman: I have Mr. Stokes down here next. I would like to get to a vote on 2501, item 1, as soon as possible, otherwise we are not going to get through 2501 in the next 40 some minutes.

Mr. Stokes: You can carry item 1 now if you want. I have one question on item 4 and one on item 9, and then I have one other brief question to ask.

Mr. Chairman: All right. Are there any other specific questions in respect to item 1?

Mr. Laughren: I am going to ask for your indulgence, Mr. Chairman, and a ruling. I have a series of about 25 questions which I want to put to the minister, but it is not fair to ask him to fire back the answers while we are sitting here and there are only two days of meetings left after today. I wondered whether or not you would allow me to list the questions so they could be replied to under the appropriate vote. In that way it gives the ministry people a fair chance to give decent answers. Any that cannot be answered in two days could be answered in writing later.

I ask your indulgence on that because they are spread throughout the rest of the votes. Otherwise, it is not fair to ask a question on Thursday and expect an answer on Thursday. I would just put the questions on the record, if the committee would allow that, and then the answers could be given at the appropriate time.

Mr. Chairman: Does anyone have any objection to that? Proceed.

Mr. Laughren: Thank you very much. These are fairly direct questions and they are not very long.

1. What is the status of the Abitibi-Spruce River Road forest management agreement? Has the ministry responded to submissions from the public in detail and what has the Minister of Industry and Tourism (Mr. Grossman) had to say about it?

2. What business does the cutting of protection forests have in an agreement, the main

purpose of which is to ensure sustained yield of forestry?

3. In the absence of a specified annual allowable cut, what decision-making process and policies were followed in determining the exclusions for parks in the Spruce River Road FMA? Are they consistent in size and location with the regional parks system plan proposal and, if not, why is there a discrepancy?

4. What is the total projected cost of fulfilling the ministry's obligations under existing or anticipated FMAs over the 20-year time frame? I had asked that question in a different form before.

5. Why are there no provisions in the agreements obliging companies to ensure adequate environmental protection or to conduct their operations so as to avoid restricting the ability of other established forest users—I am thinking of the tourist operators, for example—to continue to operate effectively?

6. Why is the annual allowable cut not tied directly to the actual regeneration levels achieved?

7. How do FMAs guarantee sustained yield management when, for example, in the Abitibi-Spruce River Road FMA the company is allowed to buy its way out of compliance with reforestation obligations?

8. If the minister is seriously committed to public participation and sound land-use planning, why is a draft 20-year forest management plan not prepared for review at the same time as the agreement itself?

On access roads:

9. What is the status of the Affleck report, and is that official ministry policy? What studies has the ministry done to determine the environmental sensitivity of existing shoreline reserves? I am thinking in relation to logging.

10. How are other ministry program staff and foresters involved in determining which reserves will be cut and in what manner? Why are tourist operators the only group to be consulted on access road location decisions? That is what I understand is the case.

11. Why has a policy change of this magnitude been taken without public review? I am thinking of cutting the forest right down to the lake.

12. Concerning strategic land use planning: What are the phases and timetable of the SLUP and the district land-use process between now and the end of 1982?

Next, the Douglas report, which was critical of natural resources planners for developing and testing SLUP targets in-house.

13. How will the district land-use options be

defined and presented to the public? Are there consistent methodologies being used by all districts to develop and test ministry program targets, and are these methodologies documented and on public file? I am thinking, for example, of the timber production target for the northwest which I think is over 5.2 million cunits. Where did you get that figure for example?

14. How will the ministry planners ensure that district plans conform to regional land-use plans? What is the process for finalizing the regional plans, how will the massive public comment—and I think there are up to 200 submissions at least for the northwest—be incorporated into the final documents?

On parks:

15. What are the terms of reference and present status of the Mounzon report? When will it be released for public comment? What will the public review procedure be?

16. Why have the regional parks system plans not been made available to the public as promised by Mr. Auld in his letter to the Federation of Ontario Naturalists back in March of this year?

17. What is the minister's view of the official status of the Ontario provincial parks planning and management policies? In January 1979 Dr. Reynolds told the Federation of Ontario Naturalists in writing that they were "the gospel relating to parks" and that they are, of course, endorsed by the minister. I would like to know from this minister if that policy laid down by his predecessor still holds.

18. What are the terms of reference and reporting date for the task force on policy for resource management and proposed park lands? That was chaired by Frank Wilson. Will the recommendation of this group be open for public comment before approval? This minister recently told the Sierra Club that all park master planning would be complete by the original deadline of 1983, and I would appreciate knowing from the minister how he is going to do that, given that the master planning process has already been curtailed.

19. On what basis are parks without master plans to be managed? How is the public to be informed and involved in park management if there are no master plans there?

20. What is the status of the master plan for the Killarney Provincial Park? This is one that is dear to my heart.

21. What is the minister's response to the

recommendation that recommended against the construction of the road to Whitefish Falls?

22. Why is the ministry developing mineral resource and vegetation management policies for existing provincial parks? When are they to be complete? Will they be reviewed publicly for approval? What is the relationship of the Ontario provincial parks planning and management policies?

23. Why have volume agreements been signed recently and why is cutting going on in the Lady Evelyn candidate wilderness park—it has been identified as a candidate park for some years—when logging is incompatible with the wilderness environment and when the government is currently before the courts over the ownership of that area?

The final two questions:

24. What are the terms of reference for the task force on public participation? When is this report due and what opportunity will there be for public input into the committee's work and recommendations? It is a very strange question to have to ask about what kind of input the public will have into the task force on public participation, but it seems we have to ask.

25. How are the recommendations of the Algonquin Wildlands League in its submission to the task force being incorporated into the committee's policy proposals?

Mr. Chairman, thank you very much for your indulgence.

Mr. Chairman: Mr. Laughren, before we vote on 2501, item 1, with respect to the answers to the questions you have just posed to the minister under the various appropriate votes I am probably going to have to exercise some sort of discretion when we come to these various items to make sure that other committee members have an opportunity to ask questions as opposed to taking up the time.

Mr. Laughren: That is perfectly fair and if that causes a problem the minister could give me the answers in writing.

Hon. Mr. Pope: I have already written the answers. I am surprised he has not received them yet, but anyway, I will provide the answers before the end of estimates.

9:40 p.m.

Item 1 agreed to.

Items 2 and 3 agreed to.

On item 4, personnel services:

Mr. Stokes: Very briefly, Mr. Chairman, this is something on which I have had some corre-

spondence with the minister and other ministry officials, and it is something that has caused a great deal of trouble in connection with emergency firefighting forces that are hired on a seasonal or on a when-and-as-needed basis.

The minister will know that when there is a series of fire flaps and a lot of people have to be recruited in a hurry, you just send word out to a lot of communities, a lot of Indian reserves and within a matter of hours you are usually successful in recruiting as many people as are needed. You also have the firefighting units or crews that are hired on a regular basis, on a full-time, summer stand-by basis, and they are distributed in certain areas around the province.

It is my understanding that the people who usually handle those crews are students who are subjected to a crash course, usually of a few weeks. All of a sudden they become instant experts and they are sent up into the various areas of the north where they tend to be the supervisors and the bosses for these extra firefighting forces when there is a fire. This creates a lot of problems with our first citizens simply because they are, without a doubt, the most experienced and are the hard core of these emergency firefighting forces.

You hire them at the rate of about \$4.50 an hour, while these whiz-kids who are exposed to a crash course in southern Ontario and shot up there get \$7 or \$8 an hour and time and a half for overtime. Yet our first citizens who are, say, your first line firefighting forces are working sometimes much harder for half the money.

Mr. McKessock: Equal work for equal pay.

Mr. Stokes: If you go back into your correspondence with the chap who is head of your firefighting forces, Jack Goodman, out of Sault Ste. Marie now, I am sure you know he is the fellow who had to answer that. The one instance I use I will admit was not a good instance. That was the big fire we had up at Caribou Lake, northwest of Armstrong. You had no difficulty recruiting sufficient numbers of people to put the fire out. When they were on a sort of stand-by because they had it under control but not out, they quit. Not all of them, but a lot of them quit.

It really was not a good example for me to use, but I want to say to you that generally speaking for the last several years, this is the way in which you have recruited these young people from down south. You give them a crash course and send them up there and they become instant experts, fire bosses. They are being paid \$7 or \$8

an hour, time and half for overtime, and the people on whom you rely on a regular basis you pay \$4.50 an hour straight time right through and as soon as the fire is out, generally you dump them.

I just want to tell you that you are going to have increased difficulty in hiring these people unless you make some kind of an adjustment in that \$4.50—I may be out a few cents on that. I think it is unconscionable for this ministry to be expecting our first citizens to be working for \$4.50 an hour. That is for someone who has to go out there and buy all new equipment. When you are tearing through the bush with wedge axes, pumps and hoses, shovels and all of the things you would have to use in a fire emergency, your clothes do not last very long and you are working under very adverse conditions.

I want to tell you all the native people think they are being discriminated against. Generally speaking, I happen to agree with them. I do not expect the minister to give me an instant answer here tonight, but it is something he has to look at. He has to make adjustments so those people are paid commensurate with the contribution they make to the operation of this ministry.

Mr. McKessock: The Premier (Mr. Davis) said in the House today there is a law in Ontario to take care of that.

Mr. Stokes: The reality of the thing is that this happens within your ministry and you, Mr. Minister, have a responsibility to address yourself to it. I do not know whether you want to comment briefly on that.

Hon. Mr. Pope: I do acknowledge that in specific instances—and you and I have had a few letters on this this summer—there have been some difficulties. There are two sides to it, but that is neither here nor there. I do acknowledge that there are some difficulties in terms of making those specific arrangements in specific circumstances and that some of that has to be cleared up.

In June of this year in the cabinet committee on native affairs I voiced my concern to the chiefs who were there about getting involved in more detailed planning of a native employment program. So far it has sort of been our initiative. We have offered to do so, but I am not satisfied with it and want to improve it. I said: "Let us sit down together and plan some specifics. Even if we have to get some agreement on the contact process for the hiring, we have to do that."

The wage thing concerns me. I can get more information on that.

In the northwest this year, when we had some critical situations that had to be instantly addressed, I know a number of our crew leaders came from the Hearst-Kapuskasing area. I used to see them gathering in the airport in Timmins to be transferred. They were flown south from Hearst.

I do not know how many were from southern Ontario, but I know from talking to them that some of them had worked for the ministry for a number of years. Whether or not there are some inexperienced crew leaders in there, I cannot deny that or argue with you on it. I do know a number of other crew leaders in other areas are experienced and have been working for the ministry for a period of time and they are young people.

As I say, I will have a look at that pay issue and consider your comments.

Mr. Stokes: Perhaps you will look further at some kind of an affirmative action program for native people, not only in that respect, but in terms of the FMAs.

Hon. Mr. Pope: Yes. We talked about this a bit this morning in some discussion we had on forestry as well.

Mr. Stokes: I do not want to dwell on it.

Item 4 agreed to.

Items 5 to 8, inclusive, agreed to.

On item 9, field administration:

Mr. Stokes: I have not had any correspondence with you, Mr. Minister, or with the present deputy, but I have had correspondence with a number of predecessors of yours and even with the Minister of Government Services with regard to the district office for your ministry in—guess where?

Hon. Mr. Pope: Nipigon.

Mr. Stokes: Right. At least you are aware of the problem. That is fine.

If you go by the district office in Nipigon, there is a series of trailers that have been there since the reorganization of your ministry from the old district forester regions down to—I do not know whether you have 48 district offices now, but it is something in that ball park anyway. This is what those people have been operating in for the last six, seven or eight years, is it?

9:50 p.m.

Interjection: Eight or nine years.

Mr. Stokes: Eight or nine years. This is just unrealistic. When you get around, either this winter or next summer—hopefully this winter

because two winters ago they had the things wrapped in plastic and had pots all over the place to catch the condensation. You know that; I am not being overly dramatic.

Hon. Mr. Pope: No. We are smiling for two reasons. First of all, whenever I went to a district this summer, if they had that problem, that was the first thing I was shown.

Mr. Wildman: You mean you stepped into one of the pots.

Hon. Mr. Pope: Secondly, we have had a discussion about our building needs with respect to district offices in different parts of the province.

Mr. Stokes: You have had the Ministry of Government Services acquire a piece of property on your behalf?

Hon. Mr. Pope: Yes.

Mr. Stokes: The people on the scene in your ministry think you should go ahead with that. I am not altogether convinced that you people have reached that determination. I know the town council of Nipigon is quite happy with that.

There could be a problem with the water table. If you ditched the property all around, you would deprive someone who is going to be your neighbour, someone who operates a trailer park, of sufficient water to keep them going. You can look at that and satisfy your own needs and theirs too.

What I am primarily concerned about is that the crew you have there, the district manager and all of his staff, are working under those adverse conditions. After nine years, you should have been able to convince your cabinet colleagues to appropriate sufficient funds to get those people adequately housed.

Mr. Wildman: Move it to Wawa.

Hon. Mr. Pope: That is what I was thinking when I said I will not say anything.

Mr. Wildman: They have trailers in Wawa too.

Hon. Mr. Pope: I appreciate your comments. It has been something we have been discussing. It was four weeks ago that we had a discussion about some of these problems.

Mr. Stokes: What are you going to do about them?

Hon. Mr. Pope: I will not give you any guarantees. We do see the need to improve facilities. It is a question of ranking the priorities and getting on with them. I cannot give you a guarantee when Nipigon will be done, other

than that I will consider your comment when we are making the decisions.

Mr. Stokes: That is all I have on that. I just want to ask where your parliamentary assistant is tonight.

Mr. Laughren: That is a good question.

Hon. Mr. Pope: He has been in all day. I know he has because we had a couple of meetings.

Interjections.

Hon. Mr. Pope: I am not sure where he is tonight. A lot of his other work is very important too. In fact, there have been a number of meetings during the last couple of weeks.

Mr. Eakins: He is reading your speech tonight somewhere.

Hon. Mr. Pope: He might be. He is supposed to be somewhere. In the last couple of weeks when I have been in estimates, he has been meeting with delegations that have been coming in and trying to help me out.

Mr. Stokes: But you do not know specifically whether he is doing that kind of thing?

Hon. Mr. Pope: I do not know where he is right now.

Mr. Eakins: I have a fast follow-up or a supplementary to that.

Hon. Mr. Pope: Can I just make one point?

Mr. Eakins: Sorry.

Hon. Mr. Pope: Excuse me. The last meeting of the mediation on the Islington band was in Kenora on September 16.

Mr. Eakins: Just as a follow-up, since Mr. Stokes is speaking on field administration and the need for buildings, I know you probably have many areas. In Minden they have outgrown their facilities and there is a great need. Are there any plans for any major changes within your districts or regions that we should be aware of? Are there any changes involving amalgamating any particular areas? Are you planning to close down any areas?

Hon. Mr. Pope: No, sir.

Mr. Eakins: They are going to remain as they are?

Hon. Mr. Pope: Yes.

Mr. Eakins: I wanted to ask that question because I was very concerned. During the election my Tory opponent made a very strong pitch to the effect that many of the Natural Resources facilities of our district within Victoria-Haliburton were being transferred to another area. Following the election I found out

that more personnel had come into the riding during the time I have been there than had gone out.

Hon. Mr. Pope: If he was the Tory candidate, he must have been right. I will have to have another look at it.

Mr. Eakins: No, he was wrong. I just wanted to know if you are planning any major changes to the boundaries of districts, or within districts or regions.

Hon. Mr. Pope: Nothing significant or major.

Mr. Eakins: Okay. That is fine.

Hon. Mr. Pope: They are not on my plate right now, anyway. I understand the problems of changing locations—

Mr. Eakins: I hope the members will be aware of what is happening, that is all.

Mr. McEwen: Are you considering reopening some of the offices that have been closed in the district, such as Plevna in the Tweed district? The office and the garage facilities are still there. Now it is necessary to travel about 60 miles from Tweed to these outlying areas.

Mr. Laughren: It sounds familiar.

Mr. McEwen: Yes. I was going to speak about it in the discussion earlier, but I did not think there was time.

It seems unfair that the employees, most of them from the Tweed district, should have to travel from Tweed to Plevna and points north when there are already facilities in the Plevna area. They live in Plevna and people need employment in Plevna. Many of the park and conservation officers, et cetera, can operate from that office. Why would you close the office in the first place?

Hon. Mr. Pope: I assume that it related to delivery of services and some savings. I cannot give you an answer about that office specifically, except to say we do not plan to reopen any offices.

Mr. Chairman: Any there other questions under item 9?

Item 9 agreed to.

Vote 2501 agreed to.

On vote 2502, land management program; item 1, conservation authorities and water management:

Mr. Laughren: I think this would come under item 1. I wanted to talk to the minister about the Niagara Escarpment, which relates to the conservation authorities for obvious reasons. It is my understanding, right now, that there are still

public hearings; that the process has not been completed yet, at least on the escarpment. But I also understand a zone has been established for the Niagara Escarpment.

I am worried about what is happening there for a couple of reasons. One reason is the amount of money that is being allocated by the ministry, around \$1 million a year, which is not very much.

I understand all about competing demands on a limited supply of funds and why the amount is only \$1 million, but I put this to you: Once the escarpment acquisition is done, it is done forever. It is not a program that has been renewed all the time. When you have made that purchase, you have made it; it is complete and it is then in the inventory bank of the conservation authorities.

However, the land being acquired through the ministry is not the same land that has been recommended by the Niagara Escarpment Commission. Some of it is, of course, but not all of it. I do not understand why the ministry has established its own priorities apart from those of the Niagara Escarpment Commission. It really leaves me puzzled why you have gone about it that way. I really do not understand that.

I went through the list of priorities of the Niagara Escarpment Commission and that of the Ministry of Natural Resources and they are not the same. I went through the acquisition list and saw that an incredible amount of the acquisition is outside the zone where the priorities were established by the Niagara Escarpment Commission.

I would be very interested to know what kind of thought process took place to have that happen. I do not know why you are not trying to accommodate the Niagara Escarpment Commission more than you are.

10 p.m.

When this minister and his predecessor—and the Premier, by the way—made commitments to the escarpment, they spoke in glowing terms about the escarpment and what a beautiful asset it was, but now they are not really carrying through with the kind of commitment that should be there. I would like to know from the minister what is his commitment to the Niagara Escarpment and whether he sees the amount of money that has been set aside, the \$1 million a year, as being the limit when it should be considerably in excess of that.

Mr. McKessock: A million dollars for what?

Mr. Laughren: For land acquisitions.

I would like to know why Parks Canada is doing most of the land purchases, not the provincial Ministry of Natural Resources. As well, I have difficulty tying in the ministry's position that the funding for the acquisitions would be obtained through the sale of lands they already hold. I see that as a contradiction. The two should not be related; you do not hinge one on the other. The acquisitions stand alone as a legitimate priority of the ministry. It is not just this minister who has made this a priority. It is a clear commitment to acquire lands on the escarpment.

Mr. McKessock: Evidently their land sales are not very good.

Mr. Laughren: Exactly. I am also worried about the lobbying of the aggregate industry when it comes to carving up the escarpment. I would certainly like some comments from the minister on just what is happening with the Niagara Escarpment Commission.

Hon. Mr. Pope: I think the history of the matter was set out by Mr. Auld last year when he was minister. He indicated that the Ministry of Natural Resources some time ago, on its own, identified quite a large acreage of land as the priorities as they saw them, based on the information they had.

There is no doubt that at various times the Ministry of Natural Resources and the escarpment commission have had plans in place for acquisition. I do not think it has been on the basis of competing with one another. Rather, it was a case of trying to make our own efforts to get involved in a land acquisition program to sort of ease some of the problems that were encountered there.

We have acquired land in that general area in a number of combinations. For instance, we acquired about 20,000 acres of land through municipalities and conservation authorities. The reason some of that is outside the actual escarpment area relates to the priorities set by the individual conservation authorities and by the municipalities in conjunction with them. You might have some land inside and some outside, or you might have some land in that area that is completely outside the escarpment but acquired through the authority structure.

We have indicated to the conservation authorities that we think the priorities for expenditures of money should be for land acquisition and flood control and that more and more of their budget should go towards that. Although there are some short-term negative aspects in that you

are not developing recreational facilities, in the long term you have a greater bank of land to work with.

The land is not going to get cheaper; it is going to get more and more expensive. So, by making those kinds of investments in land now, we are building for the future in a better way, and in the least expensive way.

That has been our priority with the conservation authorities. Of course, they have their own relationships with the municipalities and their own decision-making process. All we can do is try to indicate the priorities and try to reinforce their priorities by funding.

Mr. Laughren: Yes, but you fund them independently anyway. I am talking about the actual—

Hon. Mr. Pope: Yes, I am just trying to give you that part of it.

Then we get into some indication that Mr. Auld made in a speech on this subject in St. Catharines on July 24, 1980. He gave some historical perspective and indicated that the Ministry of Natural Resources had identified, some time ago, approximately 148,000 acres as desirable for acquisition in the long term. He advised the people there that over half of that amount of land that we identified on our own was now in public hands. That apparently was 32,000 acres more than was originally recommended for purchase in the Gertler report. You have that speech so I do not need to refer to it any more.

I think it is clear that we are not trying to compete with or deny the Niagara Escarpment plan. We tried to bring one into place as soon as we could by getting our own acquisition program in place. You are quite correct. There are a number of hearings going on; the plan is out there for public discussion.

We are hopeful that more and more of our acquisitions will conform to their plan. I think it is a time-frame problem and also one of the availability of land on the market at a fair price. We will get into all of that; you are as well aware of that as I am.

I think the commitment stands. We are trying to work in a positive way with the Niagara Escarpment Commission and to do our best we can as a ministry to continue acquiring this land as it comes available.

A number of interest groups have approached us with regard to specific properties and when they become available we get a call from them. There are a couple of foundations which are acquiring land and saying: "We will turn the

land over to you for what we paid for it. Just replenish our coffers so we can go out in the field as well and act in concert with you and the Niagara Escarpment Commission in acquiring this land."

Some of that is also going on. We are trying to work as closely as we can with these groups to do it. The truth of it is we need everyone's help, as these properties become available, to try and line them up.

Mr. Laughren: I know Mr. Eakins wants in so I will be very brief. I know the land must go to the conservation authorities once it is acquired, but what about letting the Niagara Escarpment Commission have that million dollars to purchase the land through its priorities?

Hon. Mr. Pope: I think that is probably premature, although it is an option we are going to have to consider fairly soon.

Mr. Laughren: It seems to me to make more sense. It would take something off your back, as well.

Mr. Eakins: My colleague has a supplement he wants to ask.

Mr. McKessock: Thank you, Mr. Chairman. This will fit right in here because it is a specific case. It has to do with one of the letters to which I am waiting a reply. You may recall the property of Mrs. Wiwi Thomsen in Kimberley. The letter I have in front of me is one I wrote to Rene Brunelle in January of this year.

Mrs. Thomsen's land is in the Niagara Escarpment control area in Kimberley, Beaver Valley. She applied for a development control permit and was turned down. She wanted to sell 25 acres of her property to her brother-in-law and her property was used for cross-country skiing by Bud's Place in Kimberley, a commercial cross-country skiing establishment. Talisman skiers are alongside and they use her property.

Mrs. Thomsen was willing to sell her property to the Niagara Escarpment Commission, which wanted it, and I understand your people wanted it. This has been going on for some time. She points out that if something is not done she would settle for selling a 25-acre lot or a 14-acre lot. If this were sold to the Niagara Escarpment Commission she would allow skiers to cross her property at the east end near the river. I will read you the last paragraph of this letter, which is a reference to last year's budget.

"It was my understanding that you had the money available to purchase this. . . If this land was bought by the Niagara Escarpment it would

preserve that area for, in fact, what the act wanted, which was to preserve the property for people to use. If it was purchased by yourselves, then the skiers would continue to go through it. The Bruce Trail is there as well."

If she does not sell it, she says she is going to turn people off the property. In fact, she did take down the Bruce Trail signs and let them know that there would be no more Bruce Trail.

10:10 p.m.

The problem which just came up within the last two weeks, about which I wrote to you, was that she now has said, "No more cross-country skiing for Bud's Place." He has your land lease to cross-country ski on and he has to go through this property to get to your land. He says: "The government has encouraged me to get into this business. I am going to be out of business if I get any more obstructions from Natural Resources." It is a commercial skiing operation. He has an outlet for skiing equipment, he does repairs and he has a restaurant there. He has borrowed money from the Ontario Development Corporation.

There are two things I point out in my letter to you. One is that this property is not being purchased so that he can continue to use it. The other is that your park at Wasaga Beach is now interfering with his business because your cross-country skiing at Wasaga Beach is free and he charges \$4 a day. He says, "By spring, I am going to be through if things do not change." You can understand he is quite upset. There are two problems there, but the one which we are concerned about is this property.

That letter was in January. I have a letter here from Ivor McMullin writing to Mr. Dixon, Assistant Deputy Minister of Natural Resources, outlining how they want this property. He has seven different reasons down here.

Hon. Mr. Pope: When did you write to me?

Mr. McKessock: I wrote to you within the last three weeks.

Interjection: Did you get a reply?

Mr. McKessock: No. This is one I have not had a reply to. This letter of Ivor McMullin of February 23 of this year says, "The commission at its meeting on February 19, 1981, discussed the merits of recommending the purchase of the Thomsen property by your ministry." Then he lists all the reasons why it should be purchased.

"Based on the above seven reasons, the commission recommends that the ministry has first option to explore the possibility of negotiating a trail easement across the property; second,

as a second option the Ministry of Natural Resources purchase the property or a suitable part thereof in order to secure a route for the Bruce Trail."

Hon. Mr. Pope: I tried.

Mr. McKessock: Then on March 24, the next month, I got a letter from Rene Brunelle which said: "Further to our correspondence of a few weeks ago regarding the property of Mrs. Thomsen and my intention to request the Minister of Natural Resources for further information, I have now received correspondence from James Auld and the Niagara Escarpment Commission.

"The Ministry of Natural Resources is aware of Mrs. Thomsen's concern. In the past few weeks the staff of the ministry has discussed the matter with staff of the Niagara Escarpment Commission and the executive director of the Bruce Trail Association. Both these organizations have expressed the desire to see the Bruce Trail protected through this location, either by means of an easement or a purchase of the property, or part thereof, to secure a route for the Bruce Trail.

"The present position of the ministry is that the Bruce Trail Association places a high priority on the trail crossing Mrs. Thomsen's land. No alternative routes are available and it is likely that an effort will be made to secure the—"

Hon. Mr. Pope: Hurry up.

Interjections.

Mr. McKessock: "—the land, or part of it, to ensure future access. Further meetings with the Bruce Trail Association are intended.

"In his letter, the minister indicated that I will be kept informed on this matter."

This was from Rene Brunelle. You can see, Mr. Minister, that here is the Niagara Escarpment Commission, the Bruce Trail Association and the then Provincial Secretary for Resources Development all pushing Natural Resources to purchase this property. This has been going on for a year.

I would like to get a response to my letter to you of recent weeks because Bud's Place, as I say, is going to be out of business. It hinges on this thing, along with your not charging for your cross-country skiing. What are you going to do about it? Are you going to purchase it?

Hon. Mr. Pope: You did not get an answer immediately. Normally, when we answer letters immediately the answer is no, so it must mean

we are considering it. If you would like me to give you an immediate answer, I will.

Mr. McKessock: I have been thinking for the last year that because it was dragging on and on it was going to be affirmative. After a year, I am getting a bit edgy on it, and so is Bud from Bud's Place.

Hon. Mr. Pope: All I can say with respect to Mrs. Thomsen is that if everyone who owned land along the escarpment adopted her position, we would have no Bruce Trail organization in place. I assume she does not want to look at options like the purchase of an easement.

Mr. McKessock: That is right. She does not.

Hon. Mr. Pope: She is not interested in that. As I say, if everyone adopted that attitude, the Bruce Trail would fold.

Mr. McKessock: As you know, a lot of it has.

Hon. Mr. Pope: There is no way we would have the money to get involved in that kind of massive land acquisition if everyone else had her attitude. It is regrettable that she does not see fit to do that and has even taken the trouble to go out and rip up the signs, but that is her problem.

Mr. McKessock: It is her property too. It is her prerogative.

Hon. Mr. Pope: It is her property too and if she wants to go and rip up signs, that is fine.

Mr. McKessock: She probably took them down quite gently.

Hon. Mr. Pope: She can do what she wants; it is her property. There are a number of people along the escarpment who want us to purchase their land. We do have a budget of \$1 million. We have to assess potential acquisitions according to a number of criteria, such as the price, whether or not we think it approximates market value, its location vis-a-vis the Bruce Trail and a number of other specific programs that are taking place along the escarpment.

If you want an answer right now, I cannot guarantee that we will purchase it. I will put that in a letter to you tomorrow if you want.

Mr. McKessock: I would like an answer because certainly she wants to know and also Bud's Place wants to know, because they are going to have to make some further arrangements for this winter as far as skiing is concerned. I think you can understand her position that it is her property.

What I was trying to point out here is that for you to purchase it you are ensuring what was supposed to take place in the Niagara Escarpment

Planning and Development Act; namely, that these natural resources would be available to the public. You would be ensuring that this was going to happen because people would then be able to walk across this property, ski across it and use the Bruce Trail. If you do not purchase it, she does not have to let that happen.

Hon. Mr. Pope: Right. There are people all over this province who own land and who let people use it for cross-country ski trails, snowmobile trails and cross-country running in the summer. If they took that attitude, we would have a hell of a time.

Mr. McKessock: Do not forget that she has been denied a development permit. If she was allowed to sever 25 acres to sell to her brother-in-law, there would be no problem. You must remember you are taking away her rights as well.

Hon. Mr. Pope: Yes.

Mr. G. I. Miller: How much property has \$1 million purchased in the last year?

Hon. Mr. Pope: It depends on the properties.

Mr. McKessock: Did you use that \$1 million?

Mr. G. I. Miller: Has it been utilized?

Hon. Mr. Pope: We have been purchasing on a regular basis.

Mr. McKessock: How much money did you use?

Hon. Mr. Pope: I thought it was \$777,000, but it could be closer to \$800,000 now.

Mr. Laughren: Only half of it is in the escarpment.

Hon. Mr. Pope: Yes.

Mr. McKessock: You would have had lots of money left to buy her property. How come you did not use all the money?

Hon. Mr. Pope: Probably because we are in the various stages of acquiring other properties and—

Mr. McKessock: But you did not spend it.

Hon. Mr. Pope: —transactions have not closed, so the funds would not flow, but they may be committed.

Mr. McKessock: Why not use them somewhere where it was readily available?

Hon. Mr. Pope: Probably because we have valued properties. Whether or not we can make a deal in terms of the price for the facility—

Mr. McKessock: There was no deal made. They were waiting for a deal.

Mr. G. I. Miller: Who makes the priorities? Is that done through the Niagara Escarpment Commission?

Hon. Mr. Pope: There is consultation among the commission, the ministry and the various interest groups that come in with lists of properties, some of which they have acquired and some of which they want us to acquire. It is a real mixture and we have to sort it out, get some appraisals done and try to talk to the people from whom we want to acquire the property.

Mr. Laughren: Liberals confuse the issue by wanting the escarpment area narrower.

Mr. McKessock: We would like the thing closed right off if this is the way they are going to be treated.

Mr. Eakins: I want to talk about some conservation authority things. Are we going to be going upstairs?

Mr. Chairman: We are going to adjourn now. You will be first on Monday evening, Mr. Eakins. There is only one thing we have left to determine here.

Mr. Eakins: We did complete the vote.

Mr. Chairman: At what time are we going to meet on Monday evening? As we mentioned at the outset, we can either do this through the three regular sessions of two or two and a half hours each on Monday evening, Thursday morning and Thursday evening, or we could try to do it in two sessions of approximately three and a half hours each.

Mr. Eakins: With the hours that are left, can that be accommodated on Monday night, Thursday morning and Thursday evening?

Mr. Chairman: It could be accommodated on

Monday night and Thursday morning if we want to meet for three and a half hours at a time. There are just under seven hours left.

This is just a suggestion. We could meet Monday evening, for example, at seven o'clock and go through to 10:30 and meet Thursday morning at nine and go through to 12:30. That is up to the committee members.

Hon. Mr. Pope: It does not matter to me.

Mr. Eakins: What about you, Mr. Laughren? The only thing I would like to see is that there is enough time to get involved in each vote and that we do not take most of the time on one vote and push through two or three in a rush.

Mr. Chairman: I agree with that. Mr. Laughren, what comment do you have?

Mr. Laughren: If I was voting, I would go for the three sessions, because they are long sessions when they are three and a half hours. If the committee wants to do it in two sessions, I would go along with it.

Mr. Eakins: Three sessions are okay with me. That is fine.

Hon. Mr. Pope: Do you guys want to see our slide show?

Interjection: Are you going to have a slide show?

Hon. Mr. Pope: Yes, if you want to see it.

Mr. Eakins: I think we should see the slide show.

Mr. Chairman: Is the consensus of the committee two or three meetings? It is three. Then we will meet at eight on Monday evening, 10 on Thursday morning and eight on Thursday evening.

The committee adjourned at 10:23 p.m.

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Foster, W. T., Deputy Minister



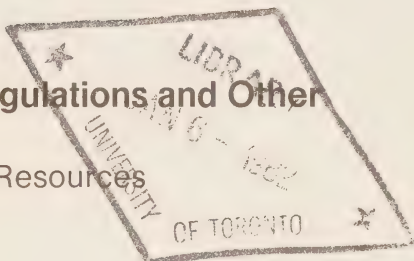
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Legislature of Ontario Debates

Official Report (Hansard)

Standing Committee on Regulations and Other Statutory Instruments

Estimates, Ministry of Natural Resources



DEPOSITORY LIBRARY MATERIAL

First Session, Thirty-Second Parliament

Monday, November 23, 1981

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Monday, November 23, 1981

The committee met at 8:08 p.m. in committee room No. 1.

ESTIMATES, MINISTRY OF NATURAL RESOURCES

(continued)

On vote 2502, land management program; item 1, conservation authorities and water management:

Mr. Chairman: Gentlemen, I see we have our quorum now, so I think we will proceed. I believe Mr. Eakins, the opposition critic, has the floor.

Mr. Eakins: Thank you, Mr. Chairman. I just want to clarify. Are we doing vote 2502 open, all sections, or are we going to do each item individually?

Mr. Chairman: I would like to do each item individually, if that is all right with the rest of the committee.

Mr. Eakins: I would agree, as long as we stick to it. I do not want to speak on one item, leave it, and then find out that we go all over the map.

On the conservation authorities, Mr. Minister, I notice that the estimate is reduced this year. Is this just because of general restraint?

Hon. Mr. Pope: No. There was some in-year constraint on the funding we applied, and that was general for all areas. The program approvals are continuing. There is some drag on the funding approvals and the flow of the funds, but no selective restraint on that area.

Mr. Eakins: How do you arrive at the amount of funding to the conservation authorities? Do they vary? Do they have to bring in a budget to you and have it approved? How is it done?

Hon. Mr. Pope: Yes. They submit an approved budget and then they also go for program approvals and funding approvals. There are three different types of application they make to us and, of course, they submit their regular budget for approval every year.

Mr. Eakins: Are they told to reduce it by a certain amount? I notice that the estimate for 1981-82 is down somewhat.

Hon. Mr. Pope: Yes.

Mr. Eakins: Have they been limited to no increase or just a particular increase? You have one more authority than you had, just in the last year, the Kortright Centre, the latest and probably the only area probably left in southern Ontario to be involved with a conservation authority. It is one I was very much aware of, and some years ago it got under way. I am pleased to see that is operating now and that it is doing a very good job. Even with the funding for that, I just wanted to get some background as to how you approve the budgets. Are they done individually?

8:10 p.m.

Hon. Mr. Pope: Yes, each individual one, but there is also a regional cushion in that total funding of about 15 per cent which the regions use to allocate according to such priorities as arise during the year. Basically, you take the budget submissions, have a look at them and go through an approval process. On top of that, there is the program approval and funding approval for the programs.

Mr. Eakins: Is a review being planned for the mandate of conservation authorities? Was this planned originally, or has it been suspended? Sometimes there is a feeling among some people about the overlap of other jurisdictions and other authorities, and I was just wondering how you see this.

Hon. Mr. Pope: We have been reviewing their expenditure programs and trying to reinforce the priority which has been in place for the last four or five years in the ministry towards flood plain control and land acquisition in the flood plain. On a regular basis, we try to reinforce that priority as we see it.

We have had a number of meetings with the council of chairmen of the conservation authorities on revisions to the Conservation Authorities Act. We are trying to develop one comprehensive regulation for authorities' lands instead of having the multiple of regulations we now have for the property of each different authority. That would be the extent to which we are reviewing conservation authorities generally.

I do admit there is an overlap in conservation authorities. Over a number of years they have

been acquiring a lot of land that they have been using for park purposes and also for recreation purposes, and that is where a lot of the overlap comes in. But I do not think that is necessarily bad.

Mr. Eakins: Are you reasonably happy with the operation of the authorities? Do you run into many problems with them?

Hon. Mr. Pope: You always have competition for funding amongst the authorities and, as with our own ministry, we always think they could have a fresh look at their administrative costs and some of their other costs and try to cut down as much as they possibly can.

Mr. Laughren: You are just unhappy with your own appointees.

Hon. Mr. Pope: My own appointees?

Mr. Laughren: The ones you appoint for conservation.

Mr. Eakins: I wonder, Mr. Minister, if you could tell us what the problem is with the Metropolitan Toronto and Region Conservation Authority. There are a lot of problems there, and I wonder if you could inform us if you are aware of them and what seem to be the problems.

Mr. Laughren: It is not all on account of the chairman either.

Mr. Eakins: The chairman is involved. This is funded by this ministry as a part of it, and we should be aware that there are some very serious problems. Can tell us about that, if you are aware of it, and just what the problems are?

Hon. Mr. Pope: I am aware of it. The problems relate to how the business of the authority will be carried out. Some people think there are personalities involved. I do not know if it is necessarily a matter of personalities as opposed to concepts. I know there have been a number of meetings in which there has been a frank exchange of views between the chairman and staff and the chairman and certain members.

Mr. Laughren: Who is the chairman now?

Hon. Mr. Pope: I cannot recall the name. Can you?

Mr. Laughren: Is it the same individual who was just appointed to the board of directors of Denison Mines? I wonder if he is having a cooling-off period. Oh, you guys!

Mr. Eakins: Are you aware or can you confirm whether a group of the executive committee of the Metropolitan Toronto Con-

servation Authority has approached the Premier or yourself asking for the resignation of the chairman?

Hon. Mr. Pope: No, they have not.

Mr. Eakins: They have not?

Hon. Mr. Pope: They have not approached me.

Mr. Eakins: Not yourself, but have they approached the Premier? Are you aware of that?

Hon. Mr. Pope: I am not aware of their having approached the Premier. Both sides have voiced their concern in writing to me.

Mr. Laughren: Check with Stephen Roman first.

Mr. Eakins: You would wonder what the problems might be because the chairman, Dr. Reynolds, is certainly very knowledgeable in the field of conservation authorities and natural resources. Yet, soon after his appointment, problems developed that necessitated his calling a special meeting, I believe, last August, to deal with some of the concerns that the members raised.

I understand there was a special report by the management consultants, Hickling-Johnston Limited. Are you aware of that report?

Hon. Mr. Pope: Yes.

Mr. Eakins: Will you make it public, or will you table it for this committee?

Hon. Mr. Pope: That report was addressed to the conservation authority, was it not?

Mr. Eakins: What were the problems which led to the appointment of Hickling-Johnston to develop this report?

Hon. Mr. Pope: It is my understanding that some of the problems related in the long term to the way in which the programs were being carried out, the funding problems that were developing and growing in there, and some ways of retaining some tighter control.

Mr. Eakins: Could you tell us what discrepancies your ministry found in the internal audit of 1979? I understand that Dr. Reynolds speaks of a discrepancy of thousands of dollars. I wonder if you could tell us what he is speaking about when he says that. What were the discrepancies?

Hon. Mr. Pope: In 1978-79? I have no idea.

Mr. Eakins: You are aware of the problem, but you have not looked into what the discrepancies were?

Hon. Mr. Pope: I am aware of the problem and I am aware of the fact that both sides are trying to work it out now. I am aware it involves the administration of the authority in accountability, and it is not dissimilar to other discussions which often take place in conservation authorities.

Mr. Eakins: Would it be possible for you to table the further report on this before the estimates are over with respect to what the discrepancies were and the amount of money? Since the ministry funds them, surely the committee should be aware of what some of these problems are. Dr. Reynolds is very adamant about these discrepancies, and it appears he wants to clear them up too. I feel that as the estimates committee we should surely be made aware of some of the problems.

Hon. Mr. Pope: I will see if I can dig up some information on 1978-79. All I can tell you is that I will consider it and try to have a response as to whether or not we will bring in that kind of material next Thursday.

Mr. Eakins: There was an internal audit.

Hon. Mr. Pope: Of the Ministry of Natural Resources.

Mr. Eakins: Of the ministry, yes. The ministry conducted an internal audit. Did you say that you will—

Hon. Mr. Pope: I said I would consider it.

Mr. Eakins: You will consider it?

Mr. Laughren: Oh, gee! He keeps giving us that line, and it does not mean a thing.

Hon. Mr. Pope: It means a thing.

Mr. Laughren: Yes.

Hon. Mr. Pope: What it means is that I am not sure if it is in the best interests of the conservation authority and its workings to bring this whole dispute into this forum, especially when it looks as though both sides are attempting to work it out.

Mr. Eakins: I hope they do work it out. Certainly there must be some serious problems for Dr. Reynolds to call a special meeting. I am sure he was very upset about the feeling among the members. At least it was his feeling that some of the members of the conservation authority felt he was actually put there to do a job, but I think he was refuting that.

It appears that there is probably a conflict of personalities. Also, with an internal audit there has been some—Dr. Reynolds refers to the discrepancy of some thousands of dollars. I feel this committee is surely entitled to know the

background of the problem even if it does work out. This is something this committee has a right to know about. I would ask the minister to table the information and the internal audit for the committee before the estimates end.

That is about all I have on conservation authorities. Are there other areas of conservation, Mr. Minister, that are not organized into authorities, or do you see other parts of the province that can be part of the conservation movement?

8:20 p.m.

Hon. Mr. Pope: There are a number of areas that we might consider including under the conservation authority umbrella. One that we have just been looking at in concert with the federal government is the Lake Wanapitei-Lake Temagami-French River-Lake Nipissing system and some of their problems with respect to water control and the operation of their various mechanisms.

The first thing to be looked at will be the problems created by the 1979 flood in Field and Sturgeon Falls. The most recent recommendation of a joint federal and provincial study is to have a citizens' board responsible for the operation of the various facilities in that watershed with advice from an advisory committee formed by both the federal and provincial governments, or an operating committee, as I think it is called in the report.

We are going to proceed with that, but I think in the long run we have to examine whether or not that whole watershed system should be somehow integrated into the North Bay-Nipissing-Mattawa Conservation Authority area, which generally runs from the builtup part of North Bay east to Mattawa and does not take in the rest of that area. In addition, I think a couple of conservation authority areas could be expanded.

Mr. Eakins: How many conservation authorities are there in the area we know as northern Ontario?

Hon. Mr. Pope: Five as I recall.

Mr. Eakins: How many are there in southern Ontario?

Hon. Mr. Pope: I think 32, with the Kawartha one.

Mr. Eakins: That is all I have, Mr. Chairman, on conservation authorities under 2502, item 1.

Mr. Wildman: I have a couple of questions on the first item. First, the estimate of \$40,018,000 is down substantially from the estimate of the

previous year. It is even lower than the estimate of 1979-80. Could the minister indicate what the ministry is cutting specifically, where the savings are being achieved to lower the estimates so much from last year's estimates and from the actual expenditures of 1979-80?

Hon. Mr. Pope: The breakdown of the reduction is on page 16. You will see that about \$4 million of that is in salaries and wages.

Mr. Wildman: What is the reason for the substantial savings in that area?

Hon. Mr. Pope: It would be through manpower reduction and perhaps allocation of salaries to other programs.

Mr. Wildman: Basically, Mr. Chairman, I am asking if the minister can give us some indication of what this means in terms of programs and actual services being carried out.

Hon. Mr. Pope: If you will look at transfer payments shown on page 16, you will get a clearer idea of the nature of it. Those are grants to conservation authorities, the Lake Ontario waterfront program and other grants, and for administration.

Mr. Wildman: That is about the same, isn't it?

Hon. Mr. Pope: Yes.

Mr. Wildman: What you are saying is that the services have not dropped.

Hon. Mr. Pope: Just the allocation of wages and salaries has changed.

Mr. Wildman: Supplies and equipment are down and salaries and wages are down. Are you saying that those are being charged to other votes?

Hon. Mr. Pope: They could be. There is also a reduction in our manpower allocated to that program.

Mr. Laughren: Actually, it is transferred out to field administration.

Mr. Wildman: Fine. In this particular case I am not being critical of your ministry. The reason I asked that question is I know that under the federal-provincial flood damage reduction program there is not a great deal of money allotted to that program considering what the demand might be across the province or, for that matter, allotted by the federal government across the country.

I have had some discussion with your ministry staff on this in relation to a couple of requests in my riding, and I understand that the committee that determines the allocation of funds for programs next year has been studying the

requests. Can you give us some indication whether you expect an increase in expenditure in flood damage reduction by way of mapping or actual engineering projects next year, or whether it is going to remain about the same or drop?

Hon. Mr. Pope: I think you are quite accurate in reflecting some of the problems we have had in getting joint federal-provincial funding going. Frankly, we have been spending a lot of money in the last couple of years under the flood reduction program in the Nipissing area because of the particular problems we experience there.

I do not see any reduction in our direct contribution to that program. How much it would increase is hard to predict right now, but I do not see much reduction in it. We are looking at those kinds of things right now to try to assess need and to set our next year's budget.

Mr. Wildman: In relation to a couple of particular problems in my riding, I want to say I believe that the municipal authorities in one case and the local people generally have been getting good co-operation from your ministry staff. Could you indicate, in specifics, what is happening with the Goulais River study? I had correspondence with the regional people and they initiated a study of the Goulais River valley. There were a number of proposals they were going to work on to determine what could be done to alleviate spring flooding which is almost an annual event in that river valley.

They told me initially that they had hoped to have a preliminary study completed by the end of August. Then a number of officials came into my constituency office, which happens to be located in the area, and indicated that it was taking a little longer than they expected and that they hoped to have it completed by the end of October and would be in touch with me at that time. As yet I have not heard anything.

Could you give me some kind of update on what is happening with that particular study? Will there be any proposals for next year or the year after for actual work that might be carried out to alleviate what has become almost a very serious annual event on that river?

Hon. Mr. Pope: I can track down the study for you by Thursday morning. I cannot give you any guarantees with respect to when the program would be funded. I can give you some general indication of its priority.

Mr. Wildman: I understand that ministry staff did have some experts from southern Ontario in to fly over the area and to do tests and work on the river. I have also had some contact with

regard to the application by the township of White River for a very small flood damage reduction program, and I am informed by your ministry staff that they are looking very seriously at that. They will need more information to find out whether the engineering study or proposals will actually do what the municipality's engineers feel it will do.

8:30 p.m.

I hope the ministry will look very seriously at that program and that project. A lot of money was paid out in disaster relief to these communities by the provincial government as a result of the very serious flooding in Nipissing and in a number of other communities in the northeast in the last couple of years. If engineering work can be done to prevent flooding, it will probably represent a saving in the long run to the provincial taxpayer.

I have one other concern to raise with regard to conservation authorities. It is a matter the minister knows I am interested in. Perhaps other members besides myself have received from the minister a copy of Towards a Wetlands Policy for Ontario, which is a discussion paper which was published in September by the ministry. It lays out a number of options for what could be done to try to preserve the wetlands that are very important for our wildfowl and, in some cases, for fish spawning across Ontario. I appreciated receiving that.

Could the minister or his staff let us know the time frame they are looking at for analysing that policy discussion and coming up with some kind of conclusions on the policy directions the ministry will recommend to the government for the preservation and protection of wetlands in Ontario?

Hon. Mr. Pope: I do not think we will be able to make any final conclusions on a wetlands policy until next summer. We have given those people who are interested a few months to finalize it and come up with their own reactions to it.

In the meantime, we are trying to encourage conservation authorities, where appropriate, to get involved in the acquisition of wetlands. In the short term that will alleviate some specific problems that we are aware of in connection with wetlands or marshes which are under some threat. We are trying to ensure that the conservation authorities acquire wetlands, that they remain wetlands and that there is no emphasis on turning them into paved recreational areas and so on. We want them to be acquired

because they are wetlands and we want them to stay that way.

Mr. Wildman: I really appreciate and support that. I understand that in the last 10 years the Ministry of Natural Resources itself has acquired something like 21,000 or 22,000 acres of wetlands in the province, which is about 36 per cent of all lands purchased by the ministry in that period, and that the conservation authorities have acquired some 30,000 acres.

The minister knows the reason I am particularly interested in this is that right near where I live is a wetlands area which right now is—

Mr. Laughren: As a matter of fact, it is his lot.

Mr. Wildman: No. I happen to live on a hill near the area. The particular area I am concerned about is slated for development as a subdivision. If that goes ahead, it will involve substantial filling in of marshlands. The local ministry staff has been very concerned with this and has been trying to work out an agreement. A compromise was arrived at by which a buffer zone would be maintained, and that was approved by the Ontario Municipal Board.

I would not think the local ministry staff would be satisfied with that compromise because even if the immediate areas around the lake were to be maintained as wetlands, the influx of residents and community life would have a detrimental effect on what is either the first or second most important wetlands area in Algoma district. It serves as a stopover area for the Canada goose and a nesting area for about 30 different types of birds in the area. The minister indicated to me in a letter not long after he took this position that if the residents of the area indicated they were not satisfied with the compromise solution, that is, a buffer zone idea, the ministry was prepared to reconsider their position on the question of acquisition of that area.

I have just had delivered to me a petition with about 100 names, all local residents, requesting acquisition of the area to preserve the wetlands. I understand an accompanying letter has been sent to the minister—I do not know whether he has received it yet—from the township council supporting that petition. I would hope the minister would look very closely and seriously at effective acquisition of this very important wetlands refuge for wildfowl. I will be passing that along to the minister. I would hope that the cut in your finances does not preclude the possibility of coming through with the review

and perhaps acquisition—hopefully, acquisition—of this piece of property.

Mr. G. I. Miller: Mr. Chairman, there are a couple of questions that concern our area. I notice the funding for the conservation authorities is relatively the same this year as last; yet, according to the Long Point Region Conservation Authority, the grants are down 15 per cent. I wonder if the minister is aware of that. Is it a fact that there will be more cost back on the municipality, or what is the reason behind it?

Hon. Mr. Pope: No, we cannot put the cost back on the municipality because it is a 55-45 or 50-50 funding program.

Mr. Eakins: What is the breakdown on funding municipally and provincially?

Hon. Mr. Pope: Depending on the program, it is 55-45 or 50-50, but for other programs, as you are probably aware, there is a potential of going up to 85.

In some of the parks programs you can ride on two or three programs and build up to 85 per cent. As I said, there are different funding levels and that is all pretty well preordained. We did imply an in-year constraint on the authorities with respect to their administrative budgets. We do not think there has been too much trouble in meeting that constraint.

We have been looking for the right kinds of capital programs and operational programs with the authorities, and on several occasions we have indicated our priorities in terms of land acquisition and natural flood control works throughout the province. Some authorities have reacted faster to that than others. Where the Long Point authority stands in terms of funding for capital programs vis-à-vis last year, or where it stands in terms of operating budgets vis-à-vis last year, would depend on a number of factors, including where some of its approved programs stand in the works.

Mr. G. I. Miller: That could be in the operating end of it. I do not know any large capital projects that they are proposing at the present time with the exception of flood-plain mapping. It has been quite an issue in the town of Simcoe. I think you are well aware of that. It seems that the region does have a good planning team now. It looks like a bit of a duplication. I think some common sense may have to be used in drawing up that flood-plain mapping.

The Lynn River has had a history of flooding. If this came under the direction of the conservation authority and the Ministry of Natural Resources, it would wipe out a lot of old

established homes and businesses that they would not have the right to rebuild. Have you any comment on that?

Hon. Mr. Pope: I think in your area and in a few other adjacent areas the issue of—

Mr. Eakins: You are now officially aware that it floods.

Hon. Mr. Pope: —the criteria and the way in which the criteria are transposed by engineers on to the maps has been somewhat controversial. We have had a number of delegations in to see us and quite a number of letters. All I can tell you is that we are trying to review both elements for that area generally; hopefully, we will be able to seek out some sort of compromise solution which is workable for both sides.

Mr. G. I. Miller: I appreciate that, Mr. Minister. The other thing is erosion control. I notice the grants with regard to Lake Ontario are \$1.5 million. Lake Erie also has considerable erosion areas. We have discussed this many times. Has there been any request for or any consideration given to making similar grants for protection along Lake Erie? How does the Toronto or Lake Ontario grant system actually work? Are they strictly for Toronto or for all the authorities along Lake Ontario?

Hon. Mr. Pope: I think the areas around Metro Toronto have naturally been heavily involved in the programs, but they are available throughout the shoreline of Lake Ontario. The degree to which the authorities are getting involved in it varies from authority to authority. Some of them are not involved at all.

Mr. G. I. Miller: I know Long Point has never been involved. They hesitate to get involved because it could be a tremendous cost.

Hon. Mr. Pope: There are combinations of things which I know the government is considering with respect to erosion control along the Great Lakes. They involve a number of ministries. Quite frankly, I do not think that has been entirely worked out yet. I have to confirm what you are saying in that I have had quite an amount of correspondence on it and some requests for more priority being given to a lakefront erosion control program.

Mr. G. I. Miller: I think it does come under conservation. We are not only protecting shoreline and valuable farm land, but also residential areas, particularly in Port Dover. I could think of three areas from Port Dover to Long Point and also of the area immediately adjacent to the eastern harbour at Port Dover, plus a lot of

public properties. Have you tried to come up with patchwork programs to salvage these properties? If something is not co-ordinated, it will be a lost cause. If it is co-ordinated, it can be very useful. I hope the minister might give it some consideration.

Hon. Mr. Pope: I will. I know I have seen some projects cross my desk with respect to some of these problems at the mouths of the rivers.

Mr. G. I. Miller: I think the Grand River at Port Maitland is another one.

Hon. Mr. Pope: Yes, I know. I have seen some of those projects.

8:40 p.m.

Mr. G. I. Miller: The third thing in regard to this particular vote is the dam system. How does that grant system work? I know we have the Caledonia dam on the Grand River which was completely replaced and has been a great improvement. It is an investment that is going to be there for many years. I think the municipality picked up about 40 per cent of the cost.

Hon. Mr. Pope: That is about right.

Mr. G. I. Miller: To go back a few years further, I think the cost to the municipality was something like 20 per cent, if I am not mistaken, and I believe the feds picked up some of that. What I am really saying is that this puts a big burden on the municipality. The Grand River provides recreation facilities not only for the region of Haldimand-Norfolk, but for Hamilton and many miles around. They put a fish ladder there and the fishing is improving.

Now we are looking at the Dunnville dam which is at the lower end of the Grand River. I do not know if it is going to need total replacement. Apparently, from the consultation and the engineering that have been done, it may be able to be upgraded. Again, there is no fish ladder there. This spring an ice jam happened quite quickly—and thank goodness it did—which flooded the South Cayuga property too at the same time and there were some spinoff effects. However, it did put a hole in one of the weirs.

Mr. Barlow: That was after March 19, was it not?

Mr. G. I. Miller: Some of the old fishermen along the lake said the pickerel fishing was the best they ever had. The flood put a hole in the weir and the fish were able to come up through it as it acted like a fish ladder. It has since been

plugged up. That indicates the fishing potential and the flooding potential.

I think that dam should be upgraded. I am sure they are making plans so that boats have access above the dam too and for any repairs that should be done. But it is excessive to ask the municipality to pick up 40 per cent of a cost which is not really going to benefit the local area to the extent that it is going to benefit Ontario generally because it is going to provide access to the river all the way up to Cayuga, about 30 miles away. Maybe, eventually, it could be brought back to be navigable right to Brantford. There is a dam at Caledonia. It could be a major waterway a few years down the road.

Hon. Mr. Pope: There are a number of municipalities that presented similar points of view in terms of direct benefit to the municipality from works done in the municipal boundaries on a number of water basins. The only comment I can make is that a number of municipalities face that same problem. If it is going to be 100 per cent funding, they are going to have delays in programs and some programs not proceeding. We have opted for a program of shared funding because we feel this way we can do more work at a quicker rate and with some positive benefits to the people and the entire basin areas.

Mr. G. I. Miller: Is the funding for last year pointed out here? Was it \$4 million? Where does it come under?

Mr. Brandt: What page are you on?

Mr. G. I. Miller: It is on page 16. It appears to be cut back considerably this year. I realize you have done more work, but I question the fact that if you cut back for upgrading dam facilities and—

Hon. Mr. Pope: Just a little while ago we had a discussion about that. I think it was before you came in. There was a transfer out under vote 2501 of some \$4.7 million which makes up most of that. I refer you to page 14, under item 3, where it says, "Explanation of changes from 1980-81 estimates: salaries and wages." You will see that as item (ii) in there. That is a transfer out from one program to another.

Mr. G. I. Miller: What was the funding then for dams?

Hon. Mr. Pope: I thought you were talking about the whole area generally.

Mr. G. I. Miller: No. I just wondered if the

funding has been up to the same level as 1980-81.

Hon. Mr. Pope: For dams?

Mr. G. I. Miller: Yes.

Hon. Mr. Pope: We will try to get that breakdown. We do not normally analyse it in that fashion, I don't think, but we will try to get it for you for Thursday.

Mr. G. I. Miller: Would the ministry consider increasing the funding for major dam construction so that it will not create such a hardship on the municipality involved and also give consideration to improving a facility which can be beneficial to the tourist and recreation economy in Ontario generally?

Hon. Mr. Pope: I think the answer generally is yes. We have indicated over the last six months to the conservation authorities that we see a priority for conservation authority activity as being in the area of flood control, which involves dams, and in the area of acquisition of flood-plain land. We are indicating to them that we attach a greater priority than they might have otherwise assumed to those kinds of programs. Hopefully, that will reflect itself a little further down the line in terms of priority allocation and, therefore, funding.

Mr. Laughren: I feel intimidated by that projector sitting there. I would only agree to viewing that tonight if it is a film of the MNR raid on Moraviantown. Other than that, I would be very interested in seeing the structure of the ministry.

8:50 p.m.

Mr. Barlow: There are probably some outtakes of it.

Mr. Laughren: Or maybe even the raid on Mud Lake with the Lanark wild rice harvesting company. I was going to go on, Mr. Chairman.

Mr. Chairman: All right.

Mr. Laughren: I was looking through the book and I may have missed the grant to the conservation council. Did they not used to get a grant?

Hon. Mr. Pope: Is it not \$50,000?

Mr. Laughren: Do they still get the same grant?

Hon. Mr. Pope: Yes.

Mr. Laughren: I have missed it in here then.

Hon. Mr. Pope: Yes.

Mr. Laughren: I wanted to talk briefly about the whole question of funding to conservation authorities. First of all, the grants can be given

up to 85 per cent, depending on the project, I believe the minister said. In view of the value of the resource and in view of the danger of its value being eroded in a fairly short period of time, I wonder why the minister does not apply a higher percentage of grant to those conservation authorities purchasing land within the Niagara Escarpment.

I know that every conservation authority presumably would like to have 85 per cent. I understand the competition for limited dollars, but the Niagara Escarpment is a special case and it must be protected with a great deal of vigour. I know the escarpment commission itself cannot—at least, I believe it cannot—purchase and hold land on its own, it must be done through conservation authorities that dip into the Niagara Escarpment all along its length.

I do not know whether the minister considers the Niagara Escarpment as a special case because letters he, his predecessor and the Premier (Mr. Davis) have written to the commission indicate they do indeed agree that the Niagara Escarpment is a part of Ontario that simply must be preserved because of its value as a resource the way it is now.

That is one question. I can go on, or the minister can respond—whatever he likes.

Mr. Brandt: In the context of that question, Mr. Minister, could you indicate the total amount of funding that is set aside at the moment for acquisition of the escarpment lands?

Hon. Mr. Pope: Basically, historically and in the present year, we have been setting aside \$1 million a year for direct purchases by MNR and that is outside of the conservation authority issue which the member for Nickel Belt is referring to. At an earlier session, we estimated that we would spend \$800,000 this year.

Historically, an analysis of conservation authority grants and funding is fairly favourable to that part of Ontario the escarpment runs through. We do recognize the special value of the escarpment and there are a number of ways in which we do it, both through program approvals and funding approvals and also through regional discretionary funds, which the regional directors use. I referred to it earlier, as I recall, as the 15 per cent of the estimated capital expenditure required for the year. It is a float that we allocate on a priority basis.

There are some mechanisms in place. We are trying to use as many of them as we can and I hope we can accelerate the program, but as I indicated in an earlier session, we are trying to

do it in a number of ways and through a number of agencies that are helping us out on it.

Mr. Laughren: It sounds as if you are going to bump up the percentages to the conservation authorities that are purchasing land in there.

Hon. Mr. Pope: No, I do not think I should leave you with that impression. We have the basic funding programs. We try to help the authorities in getting as great a percentage of funding as possible. All we have to do is try to assess priorities; that is where we can help out the authorities.

The history is that we have tried in that area. Again, we are sort of trapped by some of the criteria of the authorities, but we have been trying to do it.

Mr. Laughren: At our last session we were a little pushed for time towards the end when we were talking about the Niagara Escarpment. I do not want to dwell too long on it, but I did not know whether the minister was really plugged in to what I was trying to say, which was that there seemed to be a discrepancy between what the Niagara Escarpment Commission's priorities were for the acquisition of land and what MNR's priorities were for the acquisition of land, and why there seems to be that difference there when basically you have the same goals, namely, to preserve the escarpment.

I fail to understand why you cannot get your priorities together because they really are not together. I looked at a comparison and there is quite a distinction between your priorities as a ministry and the commission's priorities. I do not understand what you would have to gain with those differences.

Hon. Mr. Pope: I understood the point you were making last time and to some extent it is a valid one. All I can say is that priorities in terms of what property should be acquired have to be dovetailed into the prospects of acquiring it at a reasonable price. I know in the long term that is going to solve some of the problems because that land is not going to go down in price.

What we are trying to do, as best we can, is to acquire as much of that land as we can within our budget. Sometimes some of these properties that are high priority in the context of the escarpment and planning for the escarpment we just cannot get hold of. Some of them we can acquire and some people have interceded on our behalf and have done the work for us. I will admit that for you. We have been trying to circulate money through their funds to help them continue with their work. We have to

admit your point is made that there is a discrepancy in the priorities and we just have to work harder at getting the two of them together.

Mr. Laughren: I want to go on to only one other point under this vote, Mr. Chairman. About 1970, there was a serious flood in the Sudbury basin where the Onaping River and the Vermillion River meet. They flooded and there was serious damage. It has happened since then on two or three occasions as well.

After the 1970 flood—I think I am right in saying 1970—there was an engineering study done by an engineer named Svank. He did a study and I believe MNR commissioned it because they had the report. In it he recommended a number of solutions in order to prevent this from happening again—building a series of dams, dredging the river after the rivers met and the building of a relatively large, man-made reservoir or lake in one of the townships up there. His belief was that solution would be the best for a number of reasons. One of the reasons was that you would have a day park area and you could reclaim a lot of the costs simply by selling land along the shore of this new, man-made lake.

Since that time no action has been taken. The conservation authority does not have the money to do it—it is an expensive proposition—and we continue to get flooding. The people along there consider themselves to be lucky if they do not get flooded every June from the runoff further north of the communities involved. It is very expensive. As my friend from Haldimand-Norfolk was saying, when he was talking about my old home town of Caledonia, you end up not spending the money now and in the long run it costs you a lot of money.

I do not imagine the minister is familiar with that particular situation and I do not expect him to be. But I really think that there are situations when a penny saved is not a penny earned. You save money now on not funding a conservation authority properly, but in the long run it costs dearly for everyone involved.

I wish that the minister would have someone take a look at that again. I just think it is penny wise and pound foolish to continue the way they are doing it now.

9 p.m.

Hon. Mr. Pope: Just on this item, I did talk to the member involved today in the House, but the member for Grey (Mr. McKessock) last time raised an issue with respect to some land along the escarpment and indicated that we had

not replied to his letter. I indicated to him today that we received his letter on November 18 and his comments were made on November 19. His letter was apparently dated and sent on November 10.

So we have not unduly delayed the matter. We are trying to reply to him, but we could not do it in 24 hours. I explained that to—

Mr. Laughren: You tell him that.

Mr. Eakins: It is a compliment to you that he thought you could.

Hon. Mr. Pope: That is one way of looking at it.

Mr. Brandt: Some remarks with respect to the Canadian postal system are in order.

Mr. Laughren: I was going to say that. Interjections.

Hon. Mr. Pope: If that were true, it would be easy to do, but—

Mr. Eakins: It takes two weeks for Jimmy Snow's announcements to come across the road.

Hon. Mr. Pope: Anyway, we are looking at that issue to which he alluded last week, particularly with respect to the private operator in the area. We will get back to him in a week to 10 days.

Mr. Boudria: I know I arrived late at the meeting, but if I could be permitted about 30 seconds to be slightly out of order I just want to say, before addressing this particular vote, that in my short time here I have been most appreciative of the co-operation I have had from the local ministry representative in Cornwall, Mr. Morin, who has been very co-operative with us. Before I am put back in order by the people sitting behind me, I will get right to one of the topics on this particular vote, Mr. Chairman.

I wanted to ask some questions of the minister on the Ottawa River situation in my riding. The minister may recall that I wrote to him about a matter which involves the unsettled claims of local residents against Quebec Hydro. The properties in my riding continue to be affected by this year after year. There are continual floods along the Ottawa River. We have had three since the first one of 1974 or 1975. Some of the first claims have not yet been settled.

As I understand it from speaking to you, the government of Quebec or Quebec Hydro even refuses to recognize some of the damage it did as far back as six years ago. Is there any progress being made in that area, Mr. Minister?

Hon. Mr. Pope: Yes, there is. Just let me check for a second.

Mr. Boudria: Great.

Hon. Mr. Pope: We have had a series of meetings recently involving the Quebec government, the federal government and ourselves. We are trying to finalize some sort of program with respect to the management of the Ottawa River and at the same time we are trying to draw into that process this issue of some sort of compensation for those people who were subjected to flooding because of the actions of Quebec Hydro.

I am not sure if the terms of it are resolved yet or not, but I know it is imminent. We will try to clarify that for you by a letter in the next few days, if we can get that information together—just the current status of it. But I know we have been having a number of meetings over the last couple of months on it and I think we are almost on the verge of coming to some agreement.

Mr. Boudria: Many people in my constituency are asking questions about this and they have been since the first flood occurred after the construction of the power dam. There are also some municipalities that were affected. They had to raise roads after 1974 or 1975, whenever the first flood occurred, and that cost a considerable amount of money.

There have not even been claims from certain municipalities. The only claims you have, I believe, are from private land owners. In the discussions you are having with them, will there be a set formula for future claims of this nature? For instance, if there is a similar flood again next year, would this be covered under your future arrangements, or will you have to go back to negotiate a settlement with them on every flood as it occurs?

Hon. Mr. Pope: I am hoping that will be a means of arbitrating the claims, but I cannot guarantee there will not be an issue or dispute in the coming years.

Mr. Boudria: I also have questions on the South Nation River area which has been under discussion for many years. It is probably the most studied river in the world. My first question is on the basin land designation. There was some conflict between some of your ministry's policies and those of the Ministry of Agriculture and Food involving land designation. Could you comment on that? Has there been any progress between your ministry and Agriculture and Food towards arriving at a consensus?

Hon. Mr. Pope: For the last couple of months the deputy ministers have been meeting to try to resolve the matter of the disputed properties. Irrespective of the designation, they are trying to look at the values of the land involved and at some economic tradeoffs by way of construction of necessary facilities for flood control, including channels and so on. There is a demand for increased tile drainage in the area. That is putting pressure on the municipal drains system and, in turn, on the South Nation basin itself. We think it has to be resolved.

When I was there in July I met with a number of municipal representatives who are involved both in and outside the conservation authority. I also met with a couple of Ontario Federation of Agriculture representatives. Out of those meetings and some of their suggestions, we have been working with the Ministry of Agriculture and Food to try to resolve the problems. I think we have resolved some, but some are still outstanding.

Mr. Boudria: Another feature of the South Nation River is the considerable number of landslides which occur adjacent to that river. The minister may remember that I wrote him earlier this year about landslides that occurred in an area called Wendover which is situated in my riding. A certain number of cottages and homes were damaged by a landslide and some homes had to be evacuated.

The South Nation River Conservation Authority in its wisdom decided that it was going to buy out two of the six affected property owners. I do not know how they ever arrived at which two. I think they took the first and the fifth of six adjoining properties.

I brought this to your attention to see if there was any method of obtaining funds for the remaining property owners, and you replied in a letter that there was not but that the Ministry of Municipal Affairs and Housing may have something in their shoreline protection program. However, it was not a question of protecting the shoreline. Because of the leta clay situation, evacuation is the only answer.

Is there any mechanism by which those remaining four property owners could be similarly compensated? Could you also tell my why only these two properties were designated out of the six involved, especially since they are not even adjacent properties? Was it because they were the first two to ask for compensation?

Hon. Mr. Pope: It may be that the conservation authority is considering the other four; I don't know. All I can tell you is that it has to be

resolved through the conservation authority approach. I presume the people affected will continue to make their case to the conservation authority. If the conservation authority submits an application for funding, we will, on a priority basis, look at the condition those homes were left in as a result of the landslide. I think that is as far as I can go in the matter.

Mr. Boudria: Is the minister saying he would not be averse to supplementary funding for this type of situation?

9:10 p.m.

Hon. Mr. Pope: No, I do not think I can say that I would be giving supplementary funding. The main issue to be addressed is what priority would be attached to that kind of problem under normal provincial funding. I am trying to indicate that if the situation is fairly serious for these people from a safety standpoint, or if the danger of their homes collapsing into the South Nation River is imminent, then certainly it would be a high priority item. The handling of this will still be routed through the conservation authority.

Mr. Boudria: I will pass that information on to the conservation authority, Mr. Chairman. For the minister's information, all homes in that area have already had to be evacuated. I hope the authority will be able to obtain funds from the ministry for this particular program because it is a very important one.

Item 1 agreed to.

Mr. Chairman: I notice we have spent just slightly over an hour on the first item. I would like to try to get through vote 2502 this evening, if possible.

The minister asked us last Thursday evening if we would like to see his film. I understand it has to do with item 6 on this vote, and that it is about 20 minutes in duration. Perhaps we could bear that in mind and try to get to item 6 no later than 10 p.m., so that we could entertain questions and then see the film.

Mr. Eakins: Mr. Minister, under forest fire management, does the main item of \$18 million take in wages and personnel costs?

Hon. Mr. Pope: I may be able to get you that information.

Mr. Ruston: Mr. Chairman, are we on conservation authorities?

Mr. Chairman: We just passed that. We can discuss it if nobody has any objection.

Mr. Ruston: I just wanted to let you know

what is going on, Mr. Minister. I am sorry I was a little late.

You probably have not been involved in this yet, but there is a continuing controversy between the Ontario government and the federal government regarding who has jurisdiction over the waterways and outlets into Lake St. Clair. In most cases it seems to be the federal government.

The creeks are used for farm drainage and there is a silting problem. The mouth of the creeks to perhaps a mile upstream are used for small boating and there have been several problems. There was a joint dredging project by the province and the federal government about 12 years ago. The creeks subsequently silted up again, and three or four years ago further dredging was done, this time by the federal government.

The conservation authority has been approached now by some municipalities which are showing interest in taking over part of that responsibility. It has been suggested by Mr. Olson, the reeve of the municipality in which I live, that they should buy a scow to do the dredging themselves. They feel the investment may be worth it, considering the number of outlets we have in all of Essex county, and that it might be more economical for them to do it rather than going through the long delay it takes to arrange to have it done by the province or the federal government. I guess there is no easy solution because of the jurisdictional situation.

The Thames River, which was used at one time for shipping into Chatham, also presents a problem. Now that there is no more shipping, the federal government says it does not come under the Canada Shipping Act and that it is not really responsible any more. The Thames River drains from right up to Stratford and fills in at the mouth where it enters the lake. The ice builds up on top in winter, and the water cannot move beneath it because it is not deep enough, so there is flooding. It is great land, and we are proud of it, but we have not figured out a way to stop other people from flooding us out.

That is really what is happening. The mayor of Sarnia might be aware of it. He is not that far away, although no water from there goes over that way.

Mr. Brandt: We do not have any floods in Sarnia.

Mr. Ruston: No, you don't. That is right,

Mr. Minister, your officials may be receiving presentations from the conservation authority and some of the councils in Essex county. They

are looking for an easier solution to it. Maybe the federal government would agree to do its part and the local municipalities would have a small responsibility because some of these outlets are used as drainage for a main part of the county.

If the silting is coming from the lake, breakwalls would seem to be the solution, but they are costly. The estimate for one creek alone was \$1.5 million, which isn't peanuts. Since the municipalities are considering it, they will probably be looking to your ministry for some assistance or direction.

The conservation authority just bought 80 acres of land bordering on the Ruscom River, and a fair amount of the frontage is on the lake. Ruscom River is one with which they are having a considerable problem. This whole matter is a subject of considerable discussion with federal officials who have visited the area, and I think I met one of your officials in the Belle River area over a problem there with regard to a lake lot or water lot.

Mr. G. I. Miller: I think the problem extends beyond just your area. Port Burwell has had some similar problems. They bought a dredge, but I think it is just impossible for them to work it and make it really feasible. We have a little creek, the Sandusk, in a similar position.

I asked the the minister on different occasions if he had the facilities to give them assistance. I do not believe there is any assistance through the Ministry of Natural Resources at present. The lands and waters people have been contacted, and I wonder if a program could not be worked out to assist these small operators to improve their facility.

Mr. Chairman: All right, back to item 2, Mr. Eakins.

On item 2, aviation and fire management:

Mr. Eakins: I was asking about forest fire management. Mr. Minister, what equipment do you have for fighting forest fires? Do you have fire bombers, et cetera?

Hon. Mr. Pope: Government-owned and otherwise?

Mr. Eakins: Yes, in total. What do you have permanently in your own fleet and what else do you bring in? Do you have some leasing arrangement?

Hon. Mr. Pope: Yes.

Mr. Eakins: I was wondering what your fleet consists of generally.

Hon. Mr. Pope: Let me see if I can get you that information.

Mr. Sheppard: Wouldn't it depend on where it is? The Northumberland forest, which is in the middle of my riding, is looked after by MNR, and I do not know what equipment they would have. I would think that further north they would have the bombers, but I am sure they have no firefighting planes in Northumberland county.

Mr. Eakins: Last year we had severe forest fires, and I am wondering if you maintain a permanent fleet, and what arrangements you have to supplement it when you have a serious situation.

Hon. Mr. Pope: I knew if this went on long enough I would find the answer.

Mr. Eakins: What type of aircraft do you use? 9:20 p.m.

Hon. Mr. Pope: Five Twin Otters, 16 Standard Otters and 17 Turbo Beavers. These aircraft are available for fire suppression and activity project flying. In addition to that, we have a number of options available to us. We do get into leasing arrangements with respect to both helicopters and water bombers. We have other provinces that will lend us people and equipment in case of an emergency. They have come from as far away as some of the United States midwestern and western states and some of the western provinces. On top of that, we have our fleet of Cansos. I am not sure of their number, but I can get you that information.

Mr. Eakins: They could be PBY-5As. I have flown them.

Hon. Mr. Pope: Great machines, are they not?

Mr. Eakins: They certainly are.

Hon. Mr. Pope: I do not have the number of Cansos, but I can get that information.

Mr. Eakins: I had some service on the Cansos in Quebec.

Have you given a thought to adding to your fleet the CL-215s, which have proven themselves in Quebec, Manitoba and other jurisdictions? Apparently, they can swoop down and bring up a great amount of water. Have you thought of even sharing the costs of new water bombers with the forest industry, for instance?

Hon. Mr. Pope: We have thought of it. The CL-215s are used by some European jurisdictions as well to combat forest fires, and we had some discussions with them about their experience.

Mr. Eakins: Are there reasons why you do not have them?

Hon. Mr. Pope: There is, as with all things, some dispute as to which type of aircraft is better and what the relative strengths and weaknesses of the CL-215s are. I think the only way to resolve it is to get some experience with it. I believe we have finalized a lease arrangement with Canadair in Montreal to use a CL-215 for the next fire season. We are going to have a look at its performance under fire conditions and, along with the Ontario Forest Industries Association, try to assess it and come to some decisions on future acquisitions.

Mr. Eakins: Apparently, the cost of the CL-215s has gone up considerably. A couple of years ago, I believe, they were available at good long-term financing and at a reasonable price.

Have you any plans to work more closely with the forest industry in fighting forest fires? The Ontario forest industry has said that industry personnel have been discouraged from participating. I wonder if you might comment on that. Also, your own ministry's Report on Forest Fire Management Policies and Operations in the Province of Ontario, November 7, 1980, recommended that "the ministry negotiate forest fire management agreements with the companies so that responsibilities of both to protect the forest may be clearly recognized and responded to."

Hon. Mr. Pope: I do not think that staff are being discouraged from co-operation with the industry.

Mr. Eakins: Why would the industry say their people are discouraged?

Hon. Mr. Pope: I do not know why they would say that, or what staff have said, or what the circumstances were that led to it.

Mr. Wildman: Many are discouraged when in the middle of a fire.

Hon. Mr. Pope: I sure did when I was involved in it. I think we have worked fairly closely with the OFIA. We have suggested some training programs for their employees to be of more assistance to us in fire suppression. I think we are trying to work out the details with the OFIA of the allocation of these crews; when the situation is such that the crews should be allocated; who will have control over them, which is one of the key issues, and how long they will be retained in an area because these are employees of the companies and, therefore, have some value to them.

We have had at least three or four meetings.

on this since I have been minister and we have been trying to settle the details of how this system can work. We are committed to working towards a system with the industry, but it is too early to tell how the final details will work out. We are working on it right now because we should like to have it in place for next spring.

Mr. Eakins: So you see a closer relationship in the future with the industry in this regard?

Hon. Mr. Pope: There are a few issues that have to be resolved, there is no doubt about that, and you are probably as aware of them as I am. I think it is improving gradually and we are getting it organized properly.

Mr. Eakins: Have you made any major changes in your fire management to avoid the tragedies which happened previously?

Hon. Mr. Pope: In Geraldton?

Mr. Eakins: Yes.

Hon. Mr. Pope: We have made a number of changes in the prescribed burn procedures with regard to who gets involved in them and in some of the guidelines. I think Mr. Auld produced that document for the House. We have had a much better feeling about it during this past season. Again, it is something we will have to continue to work on.

Mr. Eakins: Where does that incident stand at the present time?

Hon. Mr. Pope: It is my understanding—I just got a call on that—that the criminal charges against our employees were withdrawn today. The claim for punitive damages was dismissed some time ago by the Supreme Court of Ontario, and I think we are fairly close to a settlement. That is my reading of it. A number of outstanding issues that were delaying the settlement have been pretty well ironed out, and I think everyone is heading in the right track.

Mr. Eakins: You mentioned the various aircraft you have for fire management activity. Does that include your total fleet? What aircraft do you have other than those that were mentioned? Is that your total fleet or is that just your firefighting fleet?

Hon. Mr. Pope: I was just looking through those notes. There is a reference in here to a Super Canso on lease from the Flying Firemen of Sidney, British Columbia.

Mr. Eakins: That is a long flight. I hope the Canso is not out there or it would take it about a week to get here.

Hon. Mr. Pope: Those aircraft that we have indicated are used for a number of purposes in

the ministry generally. In the summer months they are used principally for firefighting. We have other aircraft, King Airs, Twin Otters, Turbo Beavers and amphibious aircraft.

Mr. Eakins: Do you service the entire cabinet in any government flights that are taken? Do you service them all?

Hon. Mr. Pope: No, there is also charter service that is used by members of the government at various times.

Mr. Eakins: Those are outside of your ministry?

Hon. Mr. Pope: Yes.

Mr. Eakins: But many of the flights are by your ministry?

Hon. Mr. Pope: Many of them are, yes.

Mr. Eakins: What about the purchase of the new jet? This comes under your ministry. What activities will it perform other than servicing flights for the Premier and members of the cabinet? There was something to the effect that it might be used as an air ambulance. Will it be making some trips as an air ambulance to prove itself in this direction?

Hon. Mr. Pope: No. I do not think that was said for the purpose of trying to do anything other than indicate we had asked for a configuration within the interior of the aircraft that would allow it to be converted for that purpose when the need arises. In our original press release I think we indicated it was in a backup role and that its primary function was for executive travel.

Mr. Eakins: How does this purchase affect your ministry as far as the financing of the ministry is concerned? Is it a separate item that is put in?

Hon. Mr. Pope: It is a separate item.

Mr. Eakins: It is not going to affect any of the programs of your ministry. It is simply put there because you are responsible for government aircraft. Is that true?

Hon. Mr. Pope: Yes. We made a decision as the government to purchase it and the funding was found. None of our existing programs is affected by it.

Mr. Eakins: It just means that Larry Grossman is going to have to cut down on his personal budget within the ministry. Is that right?

Hon. Mr. Pope: That is speculation, I do not know if he will or not.

Mr. Eakins: What about the crew for this

aircraft? You will have to have a crew standing by.

9:30 p.m.

Hon. Mr. Pope: I am told our existing personnel are capable of handling the aircraft. Some of them are going for on-type training, I think they call it.

Mr. Eakins: It is not going to mean bringing in other specialized personnel; it is going to be handled completely by the personnel you already have?

Hon. Mr. Pope: That is the information I have been told.

Mr. Wildman: Who is going to be the stewardess?

Hon. Mr. Pope: Are you volunteering?

Mr. Wildman: I was just wondering which member of your staff.

Interjections.

Hon. Mr. Pope: The point I was trying to make is that if you analyse the places it can land, it can land in every riding in northern Ontario.

Mr. Eakins: In every riding?

Hon. Mr. Pope: Yes.

Mr. Eakins: In southern Ontario it is selected ridings. What crew will it require?

Hon. Mr. Pope: It is a two-man crew from what I understand. I can get that information for you.

Mr. Eakins: You can give us that information later.

Hon. Mr. Pope: I think it has a two-man crew, if I recall correctly. At least, the air ambulance jet that has been used in northeastern Ontario since April of this year has a two-man crew, so I would suspect it is the same.

Mr. Eakins: Reverting back, I just have one other question. When the terms of the settlement in regard to the Geraldton fire are completely settled, will you be tabling then the results of the settlement?

Hon. Mr. Pope: Once it is resolved, I intend to make a report to the Legislature on the thing, just to wrap up some of the concerns, because when I was appointed minister I did read over the estimates of last year to find out the nature of the issues that were before that committee of the Legislature. I have also been reading some of the comments made by others before and since the estimates. What I anticipate doing when the whole thing is cleared up one way or the other is making a full report to the Legisla-

ture which can be subject to questions, or whatever, at that time.

Mr. Eakins: When do you expect that might be?

Hon. Mr. Pope: We have been working on it. I hope by the spring it will be finished up. I think there is one outstanding issue, and if we can resolve that one outstanding issue, we will have things under control.

Mr. Eakins: That is all I have at this time on item 2, Mr. Chairman.

Hon. Mr. Pope: There are four existing Malton MNR executive pilots certified to operate the Challenger. These crew members will participate in the Canadair training program conducted by Flight Safety Inc. of Montreal. It has a two-man crew.

Mr. Wildman: I have a short question with regard to the aviation program. Could the minister or his staff indicate how much of the expenditure in 1980-81 was on searches for people lost in the bush as opposed to firefighting?

Mr. Laughren: There is a question you did not anticipate.

Hon. Mr. Pope: You have got me. I will try to get that answer for you. If we cannot get it by Thursday, we will give it to you in a letter.

Mr. Wildman: The reason I ask that question is that I have had some concerns expressed by people involved about the fact that, at least in the north, in terms of searches, as you may or may not know, all of the OPP helicopters are located in Toronto. In terms of searches in the north they are very dependent on MNR aircraft and, of course, the armed forces aircraft.

I was wondering if there has been any increase in the expenditure in that area by the ministry and if there have been any discussions with the OPP in terms of at least during the hunting season having at least one of their helicopters located in the north so that there might be greater access to that aircraft as well as to MNR aircraft.

Hon. Mr. Pope: I will try to check that out for you.

Mr. Sheppard: Mr. Chairman, the jet is not able to land in Northumberland county because we have no airports there for it.

Mr. Eakins: Only in northern Ontario.

Mr. Sheppard: Mr. Minister, these airplanes that you have for fighting forest fires would not come south unless they were absolutely necessary, would they?

Hon. Mr. Pope: It depends on your geographical perspective. A number of the aircraft are used in the Algonquin region which most of us here would call south, but everyone else would call north.

Mr. Boudria: I call it west.

Hon. Mr. Pope: You call it west. They are used to different degrees in the Algonquin region and some parts of eastern Ontario. What happens is there is sort of a constant movement of aircraft by our suppression crews during the summer months, depending on the fire rating at different districts. If they think the situation is becoming extreme, they will make some movement of personnel and equipment from one region into another, or call up some reserve help, to try to anticipate where they are going to have the problems. Sometimes when we get major outbreaks, it leaves us strapped in other areas, but that is normal.

Mr. Sheppard: With the experience and the data you got back from this year, do you expect to hire more part-time students next summer? Have you got in your budget that you are going to hire maybe some more full-time personnel for next year?

Hon. Mr. Pope: I do not think we will be hiring more full-time personnel. We will certainly be hiring probably as much or maybe a little fewer, but pretty well the same number of people for the fire season as we had this year. On top of that, we will call up people who work for us when the situation warrants it.

Mr. Sheppard: Are they available when you want them for a short period of time?

Hon. Mr. Pope: Yes. There are a number of things we can do. We can ship personnel around and at times we can take on casual employees with some sort of idea given to them as to how many weeks they are expected to work. We try to do it in some places in four-week segments and in some places in six-week segments. Then if the situation warrants it, we will ask others to come in to fight the fire.

Mr. Sheppard: I have another question and I do not know whether I should be asking it now or later. Given the three-day hunting season in southern Ontario, it seemed that in Northumberland county you had about eight or 10 personnel and you had a helicopter landing periodically over the particular area. Was there any reason for that? Do you know? You may have to give the answer later.

Hon. Mr. Pope: I do not know what your

particular situation was there. We had helicopters landing in other places with respect to the moose hunt. The problem was that they were not ours.

Mr. Sheppard: There seemed to be constant pressure put on one particular area, and I was just wondering—

Hon. Mr. Pope: No. I understand what you are saying, but it is not on one particular area. In fact, there are a number of areas in which some hunters feel there is too much pressure put on in enforcing the regulations. It is not just your county; a number of areas in the province have indicated this similar point of view on it.

Mr. Sheppard: That is all, Mr. Chairman. I will have a couple of questions later.

Mr. Chairman: Mr. Miller, you had a supplementary, I believe.

Mr. G. I. Miller: Yours was not the only area. I am not a hunter, but I know they did have a season in our area and they were flying over. I would not recognize the planes, but some of the hunters who hunt all the time did. There was quite a bit of surveillance from the air.

The only complaint we had was the local people had to throw their hat into a lottery-type thing, and it was difficult to get the hunting licence. There was considerable concern over that.

9:40 p.m.

Mr. Sheppard: Do you mean they had to get a deer hunting licence?

Mr. G. I. Miller: A hunting licence, yes.

Mr. Chairman: I think we are straying a little bit away from the aircraft issue.

Mr. G. I. Miller: What I really want to get back to, Mr. Chairman, is the fact that we are talking about jobs in northern Ontario. With the employment position the way it is now, has there been any consideration given by the minister to try to make some jobs, maybe to clean up after fires? Has that all been cleaned up in northern Ontario? Is there any possibility that your ministry could provide some work, particularly for this winter? It is going to be a tough winter.

I get calls all the time from young people whose education is not all that great, and there is no place to send them. They have no alternative. I just wondered if you would consider bringing in a winter works program, maybe through the conservation authorities—I know this has been carried out in years past—

maybe upgrading some of the woodlots. Has that been given any consideration for this year?

Hon. Mr. Pope: We have been looking at some options for the past three weeks now in the ministry. The reality is that we are not talking about any major program being able to be put into place for a number of reasons, including climatic, until late spring. We are looking at a number of options now. There are some local problems in southern Ontario with respect to unemployment rates, and also there are some problems associated with the independent saw-mills in the province and some of their employees being out of work.

We also have the situation in the riding of Nipigon where one of the mills there burned down, or part of it burned down, and it is going to be March before it is ready. That is another situation we are trying to look at. I guess the answer is yes, we are looking at a number of options, but even if we did decide in favour of it, I do not conceive of it getting off the ground until the spring.

Mr. G. I. Miller: Has that burned-out area in northern Ontario been cleaned up from the fire which went through two years ago?

Hon. Mr. Pope: The normal practice of the ministry is to try to engage in salvage operations, if there is any salvageable wood there. Other than that, the answer would have to be no.

Mr. G. I. Miller: It seemed to me at one time, when I was a boy, that is when they used to do the cutting of the wood. I know my brother went down to Haliburton and spent the winter in the woods. That was the time when the harvesting was done. This is a serious situation as far as jobs are concerned, and we have to do something.

Hon. Mr. Pope: In terms of harvesting you are quite right. Historically, the harvesting has been done in the wintertime. In terms of regeneration, work on preparing the soil for regeneration has to wait.

Mr. G. I. Miller: Yes, I understand that.

Mr. Boudria: I want to make a few comments on the jet. First of all, I would like to say that I, as an elected member, coming from an area that is not too well off financially, was not only surprised but very disappointed at the government acquiring such a vehicle. I understand that you, Mr. Minister, probably did not have much to do with the actual decision of whether to buy it or not; at least I trust you did not.

Hon. Mr. Pope: I think I did, so you can proceed.

Mr. Boudria: Oh, well.
Interjection.

Mr. Boudria: That is certainly not a credit if you were for it, but I guess I cannot ask you that because of cabinet secrecy and so on. Having said that, you were explaining to one of our members a little while ago that this vehicle was a backup vehicle for an ambulance. Could you tell us how long the conversion would take in order to make it an ambulance?

Hon. Mr. Pope: Let us get into some general terms where you are indicating your dissatisfaction with the decisions.

Mr. Boudria: Yes.

Hon. Mr. Pope: That is something to be addressed. It is my feeling that, amongst other things, there is a problem of access for the government to some of the further reaches in our province. It is something that opposition members have talked about at length and something that the members of the cabinet from the north feel. Any member who travels by air to Toronto will tell you they travel by jet aircraft, generally speaking.

Mr. Boudria: I do.

Hon. Mr. Pope: Jet aircraft have been the norm for travel from the major centres of northern Ontario for the last 10 years.

Mr. Laughren: You are sounding more like a federal Liberal every day.

Hon. Mr. Pope: Talking about the federal Liberals—

Mr. Boudria: I thought we were here to discuss the provincial estimates, Mr. Chairman.

Interjections.

Mr. Eakins: Do you fly back and forth by regular airline?

Hon. Mr. Pope: Yes, by Air Canada, DC-9 jet.

Mr. Eakins: I was just wondering if one of your fleet would drop you off. I remember when Les Frost was Premier, they used to drop him down on Sturgeon Lake.

Hon. Mr. Pope: He was probably a very busy man and for that reason had to use that mode of transportation. You probably understood that at the time.

Mr. Eakins: I am not just saying that to—good for him. No problem.

Hon. Mr. Pope: I understand that. The jet aircraft is used in the north. I do not think you

would disagree with the people of northern Ontario travelling by jet aircraft to Toronto. The jet aircraft and air ambulance are used under a contract with Austin Airways since last March.

I do not think you would object to sick people taking the jet from various airports in northern Ontario to Toronto. The aircraft, as I say, lands in Kapuskasing, Geraldton, Terrace Bay, Timmins, Earlton, North Bay, Sudbury—a great community—Wawa, Gore Bay—

Mr. Laughren: Not Shining Tree?

Hon. Mr. Pope: No, not Shining Tree, regrettably—Kenora, Dryden, Red Lake, International Falls, which gives it access to Fort Frances, Thunder Bay—

Interjection.

Hon. Mr. Pope: I reiterate there is virtually some form of access to ridings, either nearby or direct, and in some cases to two or three locations in the ridings. We think it will improve access. As to the amount of time that it will take to convert the interior of the aircraft, we are probably talking about an hour, but I would not want to guarantee it. All I can say is we reiterated in the original release that it was a backup and that its primary purpose was to serve for government travel. That is all I can tell you about that.

Mr. Boudria: Mr. Minister, you are almost making me sound unpatriotic there by being against this purchase of a jet to get to your riding.

Hon. Mr. Pope: I did not even mention the fact that it is Canadian.

Mr. Boudria: I just want it to be obvious that I am not against travel by jet aircraft. I recognize, as you do, that it is an accepted mode of travel. I have to use it to get to and from this Legislature as well, but it has been demonstrated, Mr. Minister, that it was not really a very economical move for the number of times that it could be used.

I know you may say other provincial jurisdictions have them. Again, if we look at the situation of Quebec, where some of us have been to a members' services committee meeting, there are only three or four flights a day linking Quebec City to the major city of that province, Montreal. Therefore, there has to be a better form of access.

Here in Ontario, where the major centre is Toronto, where the provincial capital is Toronto, where the economic centre of the community is Toronto and where the next biggest city

which is at any distance is Ottawa, which is served by 30 flights a day, the rationale is, shall we say, questionable. Other cities like Hamilton are far too close to use any kind of air transportation. It is hard to justify it on comparing it to other provincial jurisdictions.

Having said that, I have in front of me a pamphlet from the Ministry of Health which is called Code Four. This pamphlet takes great pride in telling us—I will read the title of this article. It says, "Ontario Government Jet to Have Dual Purpose." This article has a picture of your new jet, Mr. Minister, and it says that this jet will be able to convert to an ambulance, in what they claim is minutes, for emergency use across this province.

In other words, they are saying it is, as far as they are concerned, an ambulance. You are telling us it is going to be used as a backup for ambulance work, but that is not going to be its main purpose. That seems to conflict with what we see here.

Hon. Mr. Pope: Not really.

9:50 p.m.

Mr. Boudria: You are also telling us about the people piloting that aircraft. In discussion with certain commercial airline pilots, I am told that once you fly one model of jet aircraft you are no longer licensed to fly anything else unless you have received retraining for something like six or eight weeks on another aircraft.

For instance, the pilots who are flying that will not be able to get off that plane and fly the Twin Otter for a certain number of hours and then come back to this. I am told that cannot be done once you are licensed to fly a commercial jet aircraft. In a way this is not a commercial jet aircraft, but it is a passenger jet aircraft in that it will carry people such as yourself and others in it.

Is it your understanding that the pilots flying that, once they have flown you here or back to your constituency, will be able to take a Twin Otter and fly around for a few days and then come back to this particular aircraft when it is required? Or am I correct in my understanding that once they fly this they cannot do anything else?

Hon. Mr. Pope: As I indicated earlier when I read out the note, four existing executive pilots will be certified to operate that aircraft.

Mr. Boudria: But that does not answer my

question. Does that mean that after they do that they can no longer fly the regular aircraft?

Hon. Mr. Pope: No.

Mr. Boudria: Thank you.

Hon. Mr. Pope: On the other points you raised with respect to costs, if you look at comparable aircraft you will find that the way the contract was negotiated, on price it was the best buy. If you want to compare it with a commercial charter aircraft, when you examine all the costs it is not necessarily a better deal to lease. In fact, if you fold in the guarantees for a minimum number of hours of flying required for the aircraft to be on call, similar to the Austin Airways submission for the air ambulance in northeastern Ontario, you will find that it definitely is not a better deal financially.

I think in the estimates of the Management Board of Cabinet, that issue was discussed by the chairman.

Mr. Boudria: Nevertheless, you did tell us it was in order to discuss it here.

Hon. Mr. Pope: Oh, yes.

Mr. Boudria: Is it ever going to be used as an ambulance, or is this just a method of justifying its purchase?

Hon. Mr. Pope: No, we did not do it that way.

Mr. Brandt: Who said that?

Mr. Boudria: It never crossed my mind; it is just that someone walking down the street on the way here happened to raise it.

Hon. Mr. Pope: I know that. Some of those sceptics would probably be in the minority. You will have to see how the utilization works out and make your comments at that time.

I should add that you have a position vis-à-vis your own experience and the number of air flights between Ottawa and Toronto each day, but I think someone from Wawa, someone from North Bay, someone from Geraldton or someone from Terrace Bay might have a different point of view on that than you do, which is normal.

Mr. Wildman: Could I ask a supplementary? Would it be possible for ministers of the crown to fly their domestic servants and nannies to Scotland on the odd aircraft?

Hon. Mr. Pope: There is nothing wrong with going to Scotland.

Mr. Boudria: That is out of order, Mr. Chairman.

Interjections.

Mr. G. I. Miller: That would have put four of those STOL aircraft into René Piché's riding. I will say we did have a nice tour that day, thanks to René. I was impressed with that short takeoff plane from Toronto Island. Maybe he would rather have seen those four—I think they are about \$2.5 million apiece. What we paid for one aircraft would have bought four of the others and they would have made the connections between jet services.

Hon. Mr. Pope: That is an interesting proposal. I assume that you are now going to go to northern Ontario on behalf of your party and advocate the Dash-8 as opposed to jet travel. You are welcome to it.

Mr. G. I. Miller: I am not saying the jet travel is not going to be there. But getting back to travelling in northern Ontario, it would be kind of nice if you would give the members a tour in this jet.

Hon. Mr. Pope: We will paint it fluorescent blue.

Mr. G. I. Miller: It would give us an opportunity to have a look at the north. It would be much better than going to Australia—taking all the cabinet members there. I think it would be useful to give the opposition a chance to look at some of the problems in the north.

Interjection: What about the back-benchers?

Mr. Chairman: Gentlemen, I believe that Mr. Laughren has the floor and time is moving on. We have to go through about three votes in the next four minutes.

Mr. Laughren: First he intimidates me with the film, now—

I just have a very brief question on fire management. I would ask the minister what kind of affirmative action program he has with the native people, if he has one at all, for the fire management program.

Hon. Mr. Pope: Last week we indicated to Mr. Stokes, who was pursuing this point—

Mr. Laughren: He was pursuing the FMAs.

Hon. Mr. Pope: Was he? There is correspondence on file. I thought he was asking for a discussion on the disparity between the wage levels. Do you remember that?

Mr. Laughren: Oh, yes, you are right.

Hon. Mr. Pope: In the context of that discussion, we admitted that there were some problems on a localized basis with respect to recruitment and that we had to work out a better system of contact with the chief of the band, have some better notice system both ways

and some indication of perhaps getting more native people on a longer-term employment basis which affects the difference in wages.

Mr. Laughren: Which is really what we mean by affirmative action, is it not?

Hon. Mr. Pope: Yes.

Mr. Laughren: You agreed to that, did you?

Hon. Mr. Pope: No. I said that we had to make some improvements in our existing systems and that we were going to be working on it.

Mr. Laughren: Maybe I will put the question in a different way then. Are you prepared to introduce an affirmative action program for native people involved in fire management?

Hon. Mr. Pope: We are prepared to work at getting more native people involved in fire management and we are prepared to do it through the structures of the councils, the grand councils and the individual band members on both a province-wide and local basis.

Mr. Laughren: I would agree that it should be done through co-operation with the chiefs and band councils. Are you prepared to establish an affirmative action program, using the principle of affirmative action to hire more native people?

Hon. Mr. Pope: We have been trying to do that.

Mr. Laughren: You do not have an affirmative action program for native people.

Hon. Mr. Pope: What constitutes a program? Calling it such?

Mr. Laughren: No. As a matter of fact, I am waiting for your answer on the affirmative action for women within your ministry. I assume I will have that by Thursday night.

Hon. Mr. Pope: I thought I answered that.

Mr. Laughren: No, you definitely did not. I made specific reference to the two organization charts in the front of your briefing book, asking you how many of those people were women. You are required to have an affirmative action program within your ministry, I believe. I believe your government demands that you have an affirmative action program for women. Am I not right?

Hon. Mr. Pope: Yes.

Mr. Laughren: What I am asking is that you use the same principles you use there—only I hope you will carry them out—and have an affirmative action program for native people.

Hon. Mr. Pope: I am trying to indicate that we have a program in place. Now you are asking

whether it constitutes an affirmative action program. What goals do you want in the program?

Mr. Laughren: The same goals you have for affirmative action for women.

Mr. Brandt: Quotas?

Hon. Mr. Pope: The same quotas?

Mr. Laughren: I do not know what your quotas are. You can play games with the—

Hon. Mr. Pope: No, I am not trying to play games. I tried to indicate—

Mr. Laughren: You and I both know that an affirmative action program means taking affirmative action to hire and promote people.

Hon. Mr. Pope: Yes.

Mr. Laughren: I am asking you if you are willing to implement that for native people.

Mr. Sheppard: We are talking about fire management.

Mr. Laughren: Fire management is what I am talking about.

Hon. Mr. Pope: If you are talking about hiring and promoting, we do have programs in place for hiring. There is some question of promotion, and that refers to who will be the unit crew chief for each fire crew.

As I recall, in some instances a native person is made the crew chief for the fire crew. On the conservation officer program, I can only reiterate what I said last June, I think it was, to the cabinet committee on native affairs. We made an offer of some sort of hiring program and, therefore, if they are in the regular work force of the ministry, a promotion program with respect to native people.

I asked them to indicate what they thought the program should be, what the goals should be and the targets in the program, and how we could tie it to co-management of resources, both on reserve and off reserve. So far we have not sorted that out between us.

10 p.m.

Mr. Eakins: Earlier this year there was a serious helicopter crash in which some ministry personnel were lost. As a result of that tragedy, have there been any changes in ministry direction regarding the hiring of aircraft or restrictions on moving personnel?

Hon. Mr. Pope: We included experience requirements for pilots in the terms of the contract that we entered into with that company, and those terms were breached because the pilot lacked sufficient flying experience to

qualify to fly that aircraft under the contract. We have contacted the company and the company has contacted its insurance companies. We have advised the employees' widows and children of their rights and have tried to assist with legal advice and to give them all the information that we have.

Mr. Eakins: Will you be acting on their behalf?

Hon. Mr. Pope: They already have hired legal counsel, I think at our suggestion. In any case, we have made some sort of arrangements. I cannot put on the record right now the nature of the arrangements, but we had a hand in the employment of outside solicitors. We also advised the widows and children, the families of the victims, that they should have their lawyers address the question of whether or not there was a cause of action against us.

We have an audit program in place whereby we try to monitor performance. We cannot do it for every single flight. Unfortunately, we do not have the personnel to do that, but we try and do spot checks. We will have to try to do more of that work in the coming years.

Mr. Eakins: It will be part of your future contracts with these various companies that there must be certain specifications.

Hon. Mr. Pope: Yes, and it was in that contract. As I said, that contract was breached.

Item 2 agreed to.

On item 3, extra firefighting:

Mr. Chairman: Any questions on item 3?

Mr. Laughren: The only comment I have is it seems incredibly low.

Hon. Mr. Pope: I think that one has been bumped up. I think this year we go to Management Board on a regular basis, as the situation arises, to bump that up, and it has been bumped up. It has been increased many times over based on Management Board applications.

Item 3 agreed to.

Mr. Eakins: What time are we stopping tonight? Right now?

Mr. Chairman: No, at approximately 10:30.

Mr. Eakins: I mean to allow the film.

Mr. Chairman: At approximately 10:10.

Mr. Laughren: What is the film on?

Mr. Chairman: It is on item 6, surveys and mapping.

On item 4, land management:

Mr. Eakins: What are the terms of reference

of the ministry's task force to develop a policy for public involvement in decision-making? Was it as a result of the Douglas report?

Hon. Mr. Pope: No, it was before the Douglas report. As a matter of fact it goes back to 1974 when Mr. Laughren was involved in the north-eastern Ontario planning program. They came up with a series of public information sessions which will be used in 15 municipalities throughout northeastern Ontario to indicate the parameters of the strategic land-use study that we are going to undertake.

Since then we have been constantly working at improving that program. A number of individuals in the ministry have prepared their own analyses of the situation and used those reports to advise me how these programs could or could not be improved, including outside points of view from a number of interest groups.

Mr. Eakins: The Douglas report was one of your ministry reports, was it not?

Hon. Mr. Pope: Yes. We are trying to evolve a better program by using the open house forum, by meeting with interest groups, by using the mailing lists, by advertising in the papers and by using a number of other mechanisms. It is quite a complex and comprehensive program that we are trying to develop.

Mr. Eakins: Do you see the recommendations of the task force benefiting public involvement? Will there be public involvement?

Hon. Mr. Pope: Yes, there has been and will be.

Mr. Eakins: I know our time is short, but under 4, I notice a description which states, "Funds are included in this activity for the acquisition, administration and disposition of public land . . ." I believe when Frank Miller was the minister there had been a subdivision of land somewhere in northern Ontario and lots were made available first to Ontario citizens, next to Canadian citizens and then to others if land was available.

Does any of this subdivision remain unsold? Also, do you plan further subdivisions? If so, how do people qualify for those lots? I realize many of them were not too accessible, but there were people who wanted them.

Hon. Mr. Pope: In the past few months cottage lots have been made available on a bid system at advertised meetings. Tenders are submitted ahead of time. You have to attend the meeting for the draw or the bidding. It is generally a draw but there have been both.

Mr. Eakins: They are sold by bidding? Is there not a particular price put on them?

Hon. Mr. Pope: There have been so many combinations and permutations over the years that it is hard to give you a clear answer on that. It has been done in one or other of the two ways at various times.

I am aware of situations in my own district where it has been on the basis of bidding as in a regular auction. In other instances a value has been assigned to the property and there has just been a draw based on interest in certain locations. You can get all sorts of combinations of that. This has continued. We are concerned about the long-term policy we should be pursuing, and we are reviewing that right now.

Mr. Eakins: Other property will be made available in the future, will it?

Hon. Mr. Pope: Yes. There is a percentage of lakefront that should be left free and not occupied.

Mr. Eakins: Many lakes in Ontario are circled by cottages. Cottagers—I am one so I know how it works—think they have their own little piece of Canada and that nobody else should be there. So I think there should be quite a bit of space left open for public use.

Hon. Mr. Pope: Twenty-five per cent is the present requirement, and we are reviewing that to look at whether or not we should increase that portion.

Mr. Eakins: Are there still some lots available from the original subdivision that was first announced? I think it was when Frank Miller was minister. In any case, it was announced since I have been in the Legislature.

Hon. Mr. Pope: How many years ago was that? Five?

I would say that there might be a few, but they are in different stages of being planned and they might not have actually been subdivided as yet.

Mr. Eakins: I have received inquiries from people who would like to get into that area. Could we find out from the ministry just where these particular areas that are available are located and what their status is?

Hon. Mr. Pope: Yes. If they contact the ministry office, they could be given a list of lots that are being offered in different districts at different times.

Mr. Eakins: In the interest of time I will pass.

Mr. Wildman: I have a very short question about an issue that I am sure will not take long to resolve, the 1924 land agreement. What is the

status of the negotiations of that agreement and when do you expect to have the whole thing developed?

Hon. Mr. Pope: Which 1924 land agreement?
10:10 p.m.

Mr. Wildman: I am talking about the negotiations that have been going on between the federal and provincial governments to complete the 1924 land agreements on resources on reserve lands. Since the negotiations have been going on for close to 60 years, do you expect to have the matter resolved in the near future, or are we going to continue these back-and-forth negotiations?

In the interests of time I would be prepared to have a response on Thursday on this next one.

Could you give us some indication of the status of the discussions among the ministry, the federal government and the Garden River bands of Ojibways regarding the Royal Island land claim, and the negotiations of any land transfers related to resources on that reserve that are aggregate, the CPR ballast pit, for instance; or lands that relate to any land exchange regarding the Ministry of Transportation and Communications' attempt to reach an agreement with the band for a four-lane right of way across the reserve between Echo Bay and Sault Ste. Marie?

Could you also advise on the status of the Mississagi Band No. 8 land claim in the Blind River area and how that relates to the desire—I hope it is the desire—of the ministry to eventually establish a provincial park in that area so that we have at least one provincial park between Sault Ste. Marie and Sudbury?

Seriously, that 1924 land agreement must be resolved if we are ever going to resolve a lot of the land claim and resource claim problems as they relate to reserves. I do not know who is at fault, if anyone, but it has been an awfully long time.

Hon. Mr. Pope: I think all I can tell you is that everyone is continuing the discussions. The only hope is if we can make a breakthrough in a couple of other specific negotiations that are going on. We are directing a lot of effort now to the Temagami band and Bear Island.

Mr. Wildman: Mr. McMurtry's letter does not help in relation to those kinds of things.

Hon. Mr. Pope: I think it does.

Mr. Laughren: Who is your mediator? Ed Havrot?

Hon. Mr. Pope: In a number of specific areas

we are trying to make progress on a tripartite basis to resolve some specific claims. I hope that if we can get some of the mechanisms in place for those specific ones, we can dovetail them into the 1924 agreement discussions that are going on now.

There are a number of reasons it has not worked. These include the complexity of issues, some parties not being willing to put all the issues on the table and resolve them all at once and some discussion with respect to the federal government's financial responsibilities in the matter, particularly when we are talking about the allocation of resources. There are a number of impediments in the way right now. We are hoping that if we can get some pattern in some specific settlements, we can use it for a broader settlement that is required in some of the instances that you have indicated.

Mr. Wildman: Specifically, and again I would be satisfied with the response on Thursday, can you indicate who has the latest proposal right now? The last time I asked this question, which I think was in the last year's estimates, I was informed that the federal Department of Justice was studying the latest version of the proposed agreement and that this ministry and the provincial government were awaiting their detailed response.

I would be interested to find out if they are still at that point, or whether they have moved anywhere since then. Again, if you could give me that on Thursday, I would appreciate it.

Hon. Mr. Pope: Okay.

Mr. G. I. Miller: Mr. Chairman, in order to have a look at the film, I will pass on my questions.

Mr. Chairman: Do you have a brief question, Mr. Laughren?

Mr. Laughren: Do you have the projector all set up?

Mr. Chairman: That is a good question, Mr. Laughren.

Mr. Laughren: Due to the fact that I do not want to watch the film—

Mr. Chairman: I think it was mentioned at the end of our meeting on Thursday evening that Mr. Pope was going to be bringing this film. I did not hear any dissenting opinions. We did mention it earlier this evening, but in all fairness to you, you were out briefly.

Mr. Laughren: Could I ask a question on an area the minister is familiar with called Iron Lake, near Chapleau? I believe he has a petition

in his hands already. It is actually addressed to the Ministry of Northern Affairs. They did not seek my advice when they did that.

In any case, it says: "We, the residing citizens of Iron Lake, Ontario, petition the Ministry of Northern Affairs to assist us in purchasing or leasing the land our homes occupy. Wesmak Lumber, which owns the houses, has agreed to sell the houses to us if we can secure the land first. Most of us have built the homes ourselves and enjoy living in Iron Lake and have been long-time residents. Due to the developments caused by the merger of Wesmak and Chapleau Lumber, we may find ourselves evicted, as happened with Kormak, Ontario. We are prepared to co-operate with any ministry to achieve the land so that we can keep our homes to ensure the survival of our community."

That is the petition, and it is signed by the residents in Iron Lake.

It is a sad commentary when people in this day and age have to petition a minister to keep their homes. When they moved in, many of the people there were given the option of building a house. The lumber was supplied, but they supplied the labour and over the years they have made a lot of improvements to those homes.

Some of them have been there for 20 years. It is their community. All the homes are there, I believe, on a licence of occupation. I stand to be corrected. It could be a land-use permit. Anyway, they are there at the whim of the ministry. If the ministry does not give them some kind of permission to be on that land, then they will be there illegally.

Wesmak Lumber Company, owner of the homes, has also written to us—to me, to this minister, to the Minister of Northern Affairs and the Minister of Housing—through its general manager, James Saunderson. It says the company has no objections to selling the homes to the people now living in them.

There are, however, three considerations which should take place. One, the company would have no desire at all to hold any mortgage on any of the properties. Two, what would be the status of the properties if the above course were to be followed? In the final analysis, only five or six people actually bought the house they occupied. Three, who would be responsible for the cost of operating the town site in the case of number two, in other words if only a few people stayed?

This is a serious matter. In the community of Kormak, owned by this same company, they saw people evicted and the homes of their

friends literally bulldozed to the ground. They do not want that to happen to Iron Lake. It is a very nice little community, right on the shore—

Mr. Brandt: I wonder if the member could assist me. To give us some indication of the size, how many families or homes are involved?

Mr. Laughren: I would guess about 40.

Mr. Brandt: And the lands? I am trying to get some clarification on the issue. It would be helpful if you could indicate if the lands in question are owned by the province.

Mr. Laughren: It is crown land. It is leased out to the lumbering company which allows them to have homes built on it.

Mr. Brandt: Right, but the actual homes are owned by the lumbering company?

Mr. Laughren: Yes, and the people have lived in them for years. The lumbering company shutting down the community is willing to sell the homes to the individuals there. It is approximately 15 miles from Chapleau.

Mr. Brandt: Is there a large rental component as well as a building component? In other words, are there payments that go to the two parties? What is the arrangement? Perhaps the minister can help with this.

Mr. Laughren: The company leases all the land from the ministry.

Hon. Mr. Pope: They are regular tenants that pay to the company.

Mr. Laughren: Then it makes its own arrangement with the people who live in the homes.

Mr. Brandt: Is it some small gratuity in terms of the—

Mr. Laughren: Yes.

Mr. Brandt: A dollar a year or something like that?

Mr. Laughren: I think at one time, and I stand to be corrected, it was \$5 per month per room for the house; so it is not a large amount of money.

Do not forget the people, by and large, built the homes themselves and have made improvements to them over the years. Now they just do not want to see all that go down the drain.

10:20 p.m.

Some of the people are out of jobs, so that does not help either—but not all of them. They simply want to stay in their community. It is right on the lake. It is a very pretty little place. Not all the homes are great, but some are very nice homes.

It is basically a Finn community and there are

people there who speak no other language. If they have to leave that little community, that is a concern too. Some of them have been there for many years. It is self-contained Finnish community and they can live there without ever speaking English. It makes it very difficult to go elsewhere to live or to seek employment.

Hon. Mr. Pope: I received the petition today and I will have a look at it. I think we would be concerned about community servicing if we get into a permanent arrangement. We would have to get some idea from the company about whether there is a water system operated by the company in there now. A number of those things will have to be discussed before we give a final decision on it. We will try to pursue it in the next few weeks and see what the company has to offer in terms of their existing systems.

Mr. Laughren: The company will not have much to offer because they just want out. It will be a case of them forming a local services board and trying to work out something that way with some ministry. Perhaps it has to be Northern Affairs. I hate like hell putting the chicken coop in charge of Colonel Sanders, but it may have to be if they are going to form a local services board.

Mr. Chairman: Shall item 4 carry?

Mr. Laughren: Sorry, what item are you carrying?

Mr. Chairman: Four.

Mr. Laughren: That is all the land management stuff. Strategic land-use plan comes under that. I want to talk to the minister about mine cleanups, nuclear waste—I have all sorts of things there.

Mr. Eakins: I would suggest we do it on Thursday morning as we have the projector set up and out of courtesy we should see the picture. We can do it on Thursday morning.

Mr. Laughren: As long as there is no commitment to stay to the end of the movie if it gets boring.

Mr. Chairman: Shall we adjourn as far as the discussion of item 4 goes then until Thursday morning? We did start approximately eight to 10 minutes late this evening. If it is the wish of the committee members, perhaps we can see the film now. We will be running over about 10 or 15 minutes, but we did start about 10 minutes late. We will officially adjourn at the end of the film.

The committee viewed an audio-visual presentation from 10:25 p.m. to 10:40 p.m.

On resumption:

Mr. Chairman: Thank you. We stand adjourned until Thursday morning at 10 a.m.

The committee adjourned at 10:45 p.m.

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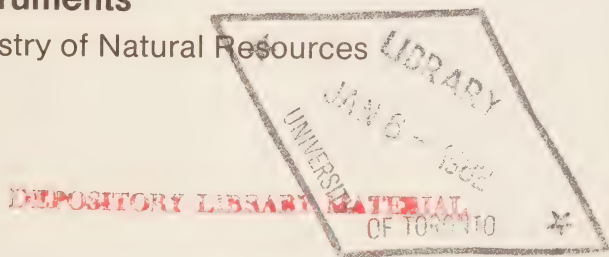


Legislature of Ontario Debates

Official Report (Hansard)

✓₃ **Standing Committee on Regulations and Other Statutory Instruments**

Estimates, Ministry of Natural Resources



First Session, Thirty-Second Parliament

Thursday, November 26, 1981

Morning Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Thursday, November 26, 1981

The committee met at 10:08 a.m. in committee room No. 1.

ESTIMATES, MINISTRY OF NATURAL RESOURCES (continued)

Mr. Chairman: We would appear to have a quorum. We have four hours and 19 minutes left for the Ministry of Natural Resources estimates. As you are well aware, we are meeting this morning. I would perhaps suggest that we go through, if we can, until about 12:30, which would leave us with only about two hours for this evening's session. Is that agreeable to most people?

Mr. Eakins: I think the minister will give us an extra half hour tonight until 10:30.

Hon. Mr. Pope: Do not count on it.

Mr. Eakins: Sure we can count on it. We know you are eager.

Mr. McKessock: An eager beaver and I intend to talk about beavers.

Mr. Eakins: We will work towards that, Mr. Chairman.

Mr. Laughren: Is there any truth to the rumour that you are bringing in 800 civil servants this evening to help you answer the last few questions?

Mr. Chairman: I do not think so, Mr. Laughren.

On vote 2502, land management program; item 4, land management:

Mr. Chairman: We are still on vote 2502, item 4, and I believe we were rather hurried in our carrying of that item, as Mr. Laughren had several more questions he wished to ask on it. I would point out to committee members that we have three more votes left after this one, so I would like to try to move through this one as quickly as possible, without putting any undue restrictions on the questions of course.

Mr. Eakins: As far as I am concerned, I am going to pass to 2503. If Mr. Laughren wants to speak on it, that is fine, but in the interests of getting through the other votes, I will pass on anything further on 2502 and let Mr. Laughren speak on this.

Mr. Chairman: Fine. Thank you, Mr. Eakins.

Mr. Laughren: Mr. Eakins and I were hoping to finish this vote and the next one this morning, leaving the mineral and forestry and the junior ranger votes for this evening.

Mr. Chairman: That seems fairly reasonable.

Mr. Laughren: I had a couple of points on this vote. One is the whole question of mining rights and surface rights.

I do not believe it happens any more, but there is still an enormous amount of land in northern Ontario on which, when the companies obtained the mineral rights, they also obtained the surface rights and a lot of that land is not being used and will never be used by the mining companies, even though they are mining underneath it.

For some time now we have been trying to push the ministry to take a look at the possibility of transferring those surface rights to municipalities, for example, or even back to the crown for that matter. I do not know how much of that kind of land there is, but it is a substantial amount and we have never been able to get any kind of satisfaction, not even a good answer, from the ministry that I can recall. I wonder whether or not the minister is aware of that.

Some of this land, I am sure, is within the boundaries of municipalities. I am sure there is quite a bit within the regional municipality of Sudbury, although I do not have a map which details it. I believe the companies that own the surface rights did not pay anything for those surface rights, except the price of the mineral rights, which was very low in the days when that arrangement took place.

10:10 a.m.

While they may have paid a certain amount of tax on the land over the years, they certainly have received value for their dollar over the years. So I would ask the minister to respond to that.

Second, this is the vote in which reference is made to the Royal Commission on the Northern Environment. I would like very much to know just what is the relationship between the Royal Commission on the Northern Environment and

this ministry. I would like to know to what extent there is any money being spent by this ministry to help the royal commission and to what extent any individuals are seconded to the royal commission to help the commission do its job.

It is not that I object to that but simply that I would like to know. There is a reference to the royal commission in here for some reason and I would like to know what that is.

I hope the minister would agree to table correspondence between the ministry and the royal commission. I would like to know just what is going on there. I tried before, in my leadoff, to draw attention to that and the minister really did not provide any satisfactory responses. As a matter of fact, he was extremely defensive about the Royal Commission on the Northern Environment and I think we have every right to pursue this question.

I assume that next year any references to the royal commission in the briefing booklet for the estimates will be taken out, but I would like to know what is going on with the royal commission. I still find it outrageous, Mr. Minister, that you blocked the invitation to have Mr. Fahlgren appear before this committee and I am still angry and somewhat cynical, quite frankly, about the role of the chairman in that regard and the way he ruled my motion out of order after you had let it be known what your view was on the issue.

I put my motion, the chairman listened to it, then he let the minister speak and the minister indicated he wanted nothing to do with the Royal Commission on the Northern Environment, he did not want Mr. Fahlgren to appear before us, that it was out of order, that it had nothing to do with this ministry. Then, after the chairman had listened to the minister—in other words, received his direction in effect—he ruled that my motion was out of order. That is outrageous.

Mr. Chairman: Mr. Laughren, if I might interject here.

Mr. Laughren: I think you are going to anyway.

Mr. Chairman: I had already done my homework, so to speak—

Mr. Laughren: Exactly.

Mr. Chairman:—with respect to your motion, as you had mentioned it the previous Thursday. I had looked up precedents. I had not discussed the motion or the possible motion or my reply with Mr. Pope at any time prior to that evening.

Mr. Laughren: Oh, I believe that.

Mr. Chairman: I did not speak to him prior to my ruling on the motion. I had already decided in my own mind exactly how I was going to rule on your motion.

Mr. Laughren: Why did you allow debate on it if it was out of order?

Mr. Chairman: Mr. Pope asked if he could make a comment or an interjection and just as I have allowed you, many times during proceedings, to make interjections or comments that were not directly on point, I permitted him to do the same.

Mr. Laughren: I doubt that.

Mr. Chairman: Anyway, if you would not mind continuing.

Mr. Laughren: I would like to continue. The chairman interrupted me, you may recall.

Anyway, I would like to have more information about the relationship between the royal commission and the ministry. Let us face it, given the mandate of the strategic land-use planning process and given the mandate of the royal commission, either you are duplicating each other's work or one of you is not doing the job. One or the other.

You may not like the way that is put to you, but I would like to know another way in which it could be put. If you have such overlapping mandates, either you are duplicating the work, one is duplicating the work of the other, or the SLUP process or the royal commission is not doing the job for which it was created. I would like very much to understand that better than I do now.

The other thing that is still bothering me about the land use—

Mr. Haggerty: Can I just interject? I want some verification too. Looking at the Ministry of Natural Resources, the land management program and land management activity, item 4, which relates to the northern environmental study being carried out, it goes on to give the explanation of changes for the 1980-81 estimates and reasons for change.

There are some interesting expenditures that draw to my attention a question that should be asked. It relates to "Employee benefits: Management Board imposed reduction, \$25,300" and, "Other direct operating expenses: Reduction in cabinet allocation, \$250,000."

That is a pretty heavy expenditure for a royal commission to be looking at, as it relates to land-use co-ordination. Could the minister inform

the committee members just what was involved in this \$250,000 reduction in cabinet allocation? What are we talking about?

Mr. Chairman: Mr. Laughren, do we have your concurrence to answer the question?

Mr. Laughren: Certainly. I am always cooperative.

Mr. Chairman: Thank you, Mr. Laughren.

Hon. Mr. Pope: Do you want me to proceed with both the mineral rights and the northern commission?

Mr. Laughren: Fine.

Hon. Mr. Pope: Okay.

Mr. Laughren: I have a couple of other questions on the same thing.

Hon. Mr. Pope: Yes. I understand that. I think on the issue with respect to mineral rights, it is true that a number of companies own both mining and surface rights in tandem in northern Ontario. Some of them have patents given to them by the crown for both surface and mining rights. Some of them have had surface rights transferred to them for a number of reasons that merged or did not merge, depending on some legal interpretations, with their mineral rights.

The policy of the government is that only in the event of nonpayment of taxes will the land escheat to the crown, or only in the event of the nonpayment of municipal taxes will the land be put up for tax sales. I do not see any change in that policy. So if a company becomes inactive and fails to meet its tax obligations under the provincial land tax act or fails to pay its municipal taxes, there are procedures which we have used in the ministry for taking that land back into the control of the crown. I know municipalities up there engage in municipal land sales because of tax arrears from time to time.

The honourable member is right. There are large areas at Timmins, also at Sudbury and probably many other municipalities, where these lands are standing vacant. But our position is until there is a forfeiture of taxes, we cannot take any action.

Mr. Laughren: I thought it might be part of the SLUP process to take a look at that whole issue.

Hon. Mr. Pope: We, in the mineral resources branch, have been doing some inventories with respect to mining lands and the surface rights that I have been looking at. We have been looking at other issues to be included as possible amendments to or a possible inclusion in the new Mining Act.

With respect to the relationship between mineral rights and surface rights, the problem becomes particularly acute where surface rights are held and occupied by someone other than the owner of the mineral rights and there is a right—I consider it to be an obscure right—of access on to the surface rights, without notice virtually, for the purposes of mineral exploration. It has caused problems in a number of communities in northern Ontario.

Mr. Haggerty: Who sets the land values on the surface rights? Is it being assessed by the Ministry of Revenue as it relates to equity in assessment of lands and properties in Ontario?

Hon. Mr. Pope: About 90 per cent of the original sales took place before those lands were included in organized municipalities. I think the Ministry of Government Services assessment unit generally does the appraisal; they have reference to data provided to them by the Ministry of Revenue assessment unit, so we have had a number of different varieties.

There was also a schedule for payment of acquisition of certain property rights, either licences of occupation, or actual grants, or long-term leases, or land-use permits. They were all in a schedule set out under the applicable legislation.

Mr. Haggerty: Would the minister have any idea of what an acre of land would be assessed for, in relation to surface rights?

Hon. Mr. Pope: No. It would depend on where it was located.

Mr. Haggerty: Or is it similar to an old gas lease that would be 25 cents an acre and that is the revenue that is generated?

Hon. Mr. Pope: There is some of that under the Public Lands Act, under the old regulations, but there are also other programs in place, for instance, cottage lots, where there is a fair market value appraisal done.

10:20 p.m.

Mr. Haggerty: Not very often in that area, though I assume by your previous comments that it is cheap tenure of land.

Hon. Mr. Pope: No, not with respect to recent dispositions. For instance, a couple of thousand cottage lots in different parts of northern Ontario have been leased out by the government over the past five or six years and an offer was made to these leaseholders to allow them to purchase their land for cottages. In every case there was a fair market value appraisal set by the Ministry of Government Services and the own-

ers of the cottages had the right to seek a separate private appraisal and enter into some arbitration proceedings.

The value of the lots I am aware of ranged all the way from \$10,000 to \$3,000. Those were appraised values of unimproved land, so it is not cheap.

Mr. Haggerty: You are making reference now to residential properties, such as cottages. I think the question Mr. Laughren was after was about the large tracts of open land held by mining companies that perhaps have no intention of developing the land itself, the surface rights, but still are prohibiting development by other interested persons who may want to go in and make use of them.

Hon. Mr. Pope: There is no doubt that the appraisals under the Public Lands Act are lower than the appraisals of mining lands in organized municipalities. That relates, of course, to a number of factors, including availability of services and access, so it is only natural that it would be lower. Whether or not it is too low is always a matter of speculation.

I know periodic reviews are conducted in the ministry with respect to the assessment value of these properties. A lot of the mining properties, or an increasing number of mining properties, are now included in organized regional municipalities, one-tier or two-tier, in northern Ontario.

For instance, the city of Timmins has 1,200 square miles in it, including an awful lot of mining land. Once that land is included within organized municipal boundaries, it is then assessed by the regular assessment branch of the Ministry of Revenue. Municipal taxes are paid on the basis of that assessment.

I think the same thing would be true in the regional municipality of Sudbury. But once that regional municipality was set up, the assessment would be done and taxes would be paid at the municipal level.

Mr. Haggerty: I will follow that up in the Minister of Revenue's estimates and find out if we do have any equity in assessment of large tracts of land.

Hon. Mr. Pope: He would only be able to give you their assessment, but under the Public Lands Act a lot of the assessments are done by the Ministry of Government Services. There is some sharing of information with respect to sales, for instance, to try and—

Mr. Haggerty: The reason I raised that question is to relate it to southern Ontario

where there are, say, peak developments. I think there is one area in Erie riding, Wainfleet Marsh, where they are commercializing peat; it is being exported. In the past they had certain concessions that related to the large tracts of land there too.

In a sense they were not carrying the load of municipal taxes because it was considered as another form of agriculture, which it should not be. It should be coming under mining and that would perhaps change the whole picture in assessment. So there are some discrepancies in assessing certain lands in relation to your ministry.

Hon. Mr. Pope: I think you have hit on one of the main controversies surrounding the development of the peat industry in the province, and that is whether it is considered as a mining activity or whether it is considered as an extraction industry similar to gravel.

Mr. Haggerty: It comes under the Ministry of Agriculture and Food in a sense that their wages and everything are set as they are for farming. There are areas where they do not have protection under the labour code or under the Occupational Health and Safety Act—they did not in the past. I feel it should come under the Ministry of Natural Resources, your ministry, and not be considered as agricultural production.

Hon. Mr. Pope: We think it will be and we are working on policy papers with respect to that, arising out of the publication of the book on peat resources. We look upon it as an extractive industry that should fall within the jurisdiction of the Ministry of Natural Resources. We are sort of proceeding on that basis.

You are right, the issue has not been finalized yet.

On the northern commission, I am not a member of the northern commission and I do not know what the status of their research is now.

Mr. Laughren: The question is do you care?

Hon. Mr. Pope: I soon will find out when the reports are issued. There may or may not be overlapping or duplication. You will have to wait for the final report to see if there has been. All I can tell you is that we have, as I indicated earlier, provided them with a lot of information, a lot of documentation under our West Patricia land-use planning exercise. We have provided them schedules of our activities. We have put them on the mailing list. We have advised them of our open-house meetings in Ear Falls, Sioux

Lookout and Red Lake this year. We know that on each of those occasions at least one member of the staff or the commission attended.

We do admit that we are engaged in a land-use planning exercise in the West Patricia area and that area is also part of the area of study of the northern environment commission. We do not pay money directly to the commission and we do not provide personnel, but we have provided information and reports, the results of our own work.

I tried to indicate last week that on the local level there is communication between district managers and the northern environment commission personnel and there is an attempt to keep them informed of our activities.

Mr. Laughren: But you are telling us that there is no expenditure of resources from this ministry, either personnel or money, towards the northern commission?

Hon. Mr. Pope: I am just saying we have not paid any money to the commission and we have not loaned any employees to the commission.

Mr. Laughren: What is the reference in here for then?

Hon. Mr. Pope: Because the West Patricia land-use planning exercise involves land that is also covered under the mandate of the northern environment commission. We are spending money on doing the planning work in there. Some of that information is supplied to the northern environment commission and we assume they are going to use it in some of their work.

Mr. Laughren: In the book it says, "Provision of ministry co-ordination for special land-use related projects such as the Reed proposal and the Royal Commission on the Northern Environment." What does "provision of ministry co-ordination" mean if it does not mean people and money?

Hon. Mr. Pope: It just means we are carrying on some of the basic research work we think falls within their mandate which we also consider to fall within our own mandate. On the rate proposal you are no doubt aware that Mr. Bugar of our ministry is our representative in those mediation discussions.

Some of that activity is covered under this as well. He attends the meetings and puts forward position on behalf of the government of Ontario. He presents proposals for resource allocation or for land settlements and attends those meetings.

Mr. Laughren: I will go on to the next item, but I do find it passing strange that you would

have two organizations with similar mandates, each going its own merry way and waiting for each other's reports to come out to see whether or not there has been overlapping, which is what you have told us.

The land-use planning process is one that continues to bother me, particularly in view of the fact that you will not make a commitment to refrain from signing any forest management agreements until the district land-use plans have been completed. You continue to stonewall on that.

10:30 a.m.

I will never understand how you can justify signing a forest management agreement within an area covered by a district land-use plan before the district land-use plan has been completed, before you have heard all the representations and before you know exactly how that district land-use plan fits into the regional land-use plan. That makes a mockery of the planning process and is really saying to people out there: "We want you involved in the planning process, but first we are going to take the forest management agreements, take huge chunks out of this district and keep your paws off it. Whatever is left, you can fight over and help us do a district land-use plan on." That is really what you are saying. I think you are wrong there.

The other issue I raised briefly the other night had to do with Island Lake, a small community near Chapleau, where the mine is closed down and the people are fearful of losing their homes because they are company homes. The minister has a petition from the people at Island Lake and he has correspondence from the company involved, Wesmak Lumber Company Limited, which indicates they are willing to co-operate. What the people really want is the right to occupy that land where the homes in which they are living are situated. That is what they want.

There are problems attached to that; I understand that. This community is 10 miles off the highway and there is no other community on that highway. It is a dead-end road. That road will have to be maintained if those people live there, particularly in the winter. There are children there. They will have to get to school. So there are problems attached to allowing the people to purchase those homes and occupy that land.

I think that community has been dealt a big enough blow now without them being told they cannot continue to live in the homes that in many cases they have built themselves and have

improved over the years, even though the company had a land-use permit for the land and the company provided the lumber.

It is a nice little community. If that whole community goes down the pipe, I think it would be a sad commentary on planning in northern Ontario. The homes there are much better than the homes in Kormak, which was bulldozed to the ground. Any day now a torch will be set to the remains of that community. It would be a very sad thing if the same thing happened to Island Lake.

I would like a commitment from the minister that that will not happen, that those people will indeed be able to live in the homes they built and to which they do not have title at this point, but they are prepared to take title to them. I would like a commitment that there will be the necessary support services from the government to ensure that they can live there during the winter and be able to get to and from schools and the town of Chapleau. I would ask a firm commitment from the minister in that regard.

The next item of concern is that in this vote there is an allocation of \$100,000 for inactive mine cleanup. I would like an explanation of that, because I do not know how the taxpayers got into the situation of paying for a mine cleanup. It is \$100,000 and while that may not be a lot of money in the overall scheme of things, there is the principle that we are cleaning up an inactive mine. Surely to goodness that is the responsibility of the mining companies. I would like to know what provision is made that that does not continue to happen.

That leads to the whole question of whether or not this minister has been involved in any negotiations regarding the cleanup costs of nuclear mines such as Elliot Lake. At some point there is going to have to be a cleanup. The contract that was signed between Denison and Ontario Hydro I think is rather vague about those cleanup costs, which could be unbelievably high. I would like to know what is being done about that.

Keeping on the same theme, the disposal of nuclear waste; this certainly fits into land-use planning. I would like to know what the minister's position is on this.

We know, for example—and I don't know when I have been so angry at this government—that Atomic Energy of Canada Limited has been doing test drilling in the north to determine where it would be possible to store nuclear waste underground. The Ontario government has been rather silent on this whole thing.

The AECL has been doing this test drilling all over northern Ontario. Then we find out they would also have liked to have done test drilling in southern Ontario, particularly in the shale areas—I gather around Kingston—I stand to be corrected on that, but there are parts of southern Ontario which would be equally attractive as test drilling sites. But this government prevented AECL from doing the test drilling in southern Ontario, strictly for political reasons—no other reasons whatsoever—and said, “No, do your drilling in the north.” That is what this government has done.

I find it reprehensible you were not open about it. You let the whole thing go on and let AECL take the heat as though they were only interested in test drilling in northern Ontario, when you were telling them: “Do it in the north. We will not co-operate with you if you drill in the south.” AECL needs the co-operation of the provincial government, so they did as they were told by the Ontario government.

I personally am opposed to the underground storage of nuclear waste, period. But if you are going to do the test drilling, then you have an obligation to be honest about the test drilling sites.

Do not put me in the position of defending AECL either. They say, for example, they will not go anywhere they are not welcomed by the municipality or the region. Yet the regional municipality of Sudbury passed a motion saying they wanted neither drilling nor transportation of nuclear wastes through the region. That is being done all the time. They are completely ignoring the wishes of the regional municipality of Sudbury; there is a bylaw. So they speak out of both sides of their mouth as well.

They also say they will not go in and test drill within a municipality for nuclear waste disposal, but they do not mind going on the doorstep of that municipality. That is what they are in the process of doing in Massey. They do not deserve any bouquets thrown their way either.

I would like to know the minister's views on those issues. There is the forest management agreement and the district land-use plan; he has not answered that satisfactorily. There is the Island Lake question, the inactive mine cleanup, the potential cost of uranium mine cleanups and the disposal of nuclear waste.

Mr. Eakins: Could I suggest since time is very short and since the 25 questions were submitted in writing, perhaps the minister might like to respond in the same way—at least they were read into the record.

Mr. Chairman: I think we could perhaps hear some brief responses from the minister. If he feels the responses are going to take a great deal more time than is available to this committee for this particular item, then we can finish his responses in writing.

Mr. Eakins: Since we want to cover as much as we can—I do not want to cut my friend off from the response, but since 25 questions were read into the record and he asked for some preparation for the answers—perhaps in the interests of time the minister might want to respond in the same way, with perhaps some written—

Mr. Chairman: We will see what his response is. You will recall when Mr. Laughren read in his questions several days ago we decided at that time that as time would permit we would listen to the responses from the minister to those particular questions.

Mr. Laughren: I have no questions on this particular vote, John, if that is what bothering you.

10:40 a.m.

Hon. Mr. Pope: I guess the first question you posed, both today and in your list of 25 questions, had to do with the Abitibi-Price Spruce River Road forest management agreement. That is just the first one and you had two other subquestions. You asked what the status was on those two other subquestions; that I shall deal with as well.

This area is already under licence to Abitibi-Price. Therefore they have the right to go in and cut timber in accordance with the terms of the licence. The forest management agreement is an attempt to co-ordinate those activities with reforestation activities, using a contract as the umbrella for both the government's and the company's contribution and activity in that area. Since I have become minister, the process in forest management agreement is not simply a process of allocating wood resources and describing the nature of the reforestation that is going to take place. It is a land-use planning exercise, involving all segments of the ministry.

We did have an open house in Thunder Bay and Dorion, at which your colleague, the member from Kawartha, attended. At that time we indicated and had available maps showing the area to be considered for harvesting and regeneration.

There were also other submissions with respect to what should be taken out at the front end of the process for other exclusive resource

uses or other resource uses that could coexist. They included canoe routes, waterway parks, a park site, nesting sites for birds, public access points, a couple of proposed aggregate sites, potential cottage lakes and existing cottage lakes, tourist outfitters' locations as they then existed and still exist. All of these things were laid out for people to examine. We indicated these were existing and potential uses of the resources on water and land within those boundaries and all of these uses and potential uses had to be considered.

A number of people appeared at this open house. It was advertised in Thunder Bay. It was advertised locally in Iroquois Falls. Members of the Northern Ontario Tourist Outfitters Association and of the northern environment commission attended. I believe members of a number of other interest groups were there, including Mr. Bruce Hayer from Thunder Bay. They examined at some length the maps and the text of the agreement, made their concerns and the basis of those concerns known. We took the agreement back and we have been examining and discussing it and discussing potential changes with Abitibi-Price.

We think the exercise, as it is now constituted, involves all of the elements of land-use planning, all the considerations that we would bring to bear. We think it is important to proceed with this forest management agreement and perhaps others, to get our reforestation program in place on those sites.

Mr. Laughren: There are lots of people in the ministry, senior people, who do not agree with you and you know it.

Hon. Mr. Pope: I do not think so.

Mr. Laughren: You are tempting me to read a letter into the record.

Hon. Mr. Pope: Go ahead. There are some employees in the ministry who disagree, there is no doubt about it. But I think this matter has been discussed in detail with all of the branch directors. They are obviously aware of the process, otherwise they would not be writing to you to complain about it.

Mr. Laughren: They are not writing to me. They are writing to you or to your deputy.

Hon. Mr. Pope: I think the process that has been undertaken with respect to the signing of the Abitibi-Price forest management agreement is a good one and one we are looking to improve upon. We are going to respond to the submissions from the public.

Other ministries have had some discussions

with us, including the Ministry of Industry and Tourism concerning economic analyses with respect to the tourist outfitters in the area. I think Mr. Eakins referred to that in his statement on the matter.

I feel confident with the process and when the final result is made available to all of you and to the public, it will be shown to have been a planning exercise and one in which the company willingly participated. We shall look forward to that kind of process being used for other forest management agreements.

I reiterate what I said earlier. I have no other forest management agreements on my desk. I understand others are being worked on.

Mr. Laughren: But you will not make a commitment not to sign any more, will you?

Hon. Mr. Pope: No.

Mr. Laughren: No. That is some commitment.

Hon. Mr. Pope: What do you mean, some commitment? I also indicated to you how long it has taken to settle the Spruce River Road forest management agreement from the time it hit my desk. It has to go through this public information process. Groups make comments on it. It is brought back. It is analysed by representatives of every branch. I think it is a good process and one we should be following.

Concerning Island Lake: I know the member is worried about this community. I did receive the response of the company; I read it this morning. There are a number of issues. They claim complete ownership, 100 per cent ownership of their houses, which is an issue I think would have to be discussed. They are also worried about who is going to bear the costs of services in that community.

Those are other issues that have to be discussed—not that they are impossible to overcome, but obviously there are more ministries than just this one that will have to be involved in that. All I can say to the member is we shall try to pursue it with other ministries and see if we can make a response to you and to the residents and to the company. I cannot offer any more than that to you.

To my understanding, the mine tailings cleanup relates to what are now inactive mining corporations with no assets that can be attached. I know, for instance, the Ministry of the Environment and the Ministry of Natural Resources in my own community of Timmins went through quite an involved process, trying to trace the principals of the Kam-Kotia mine. They tried to

trace any assets that might remain in the hands of the company and attach those assets to pay for the cost of the cleanup of the tailing site.

Mr. Haggerty: Why do you not use the same policy the ministry has established through the aggregate industry for administration purposes? That is what you should be doing.

Hon. Mr. Pope: That is possible and that is one of the options that can be considered by the Legislature when we amend the Mining Act, but I do not have that legal authority right now. My legal authority is restricted. If there is an inactive company with no assets and we have no money in any pool or contingency fund either from the industry generally or from the individual mine, there is nothing we can attach. That is why we have to expend public moneys, not only on tailings sites but also on covering raises—

Mr. Haggerty: Make an amendment to the act. We will support it.

Hon. Mr. Pope: I think the honourable member is probably aware there has been work done on a new Mining Act.

Mr. Laughren: When is that coming in?

Hon. Mr. Pope: There were some proposals before me and I wanted to review them myself. I have been reviewing them myself and we are hoping that in the spring of this year we can put a revised version out for public comment.

Mr. Laughren: When?

Hon. Mr. Pope: Hopefully in the spring. I personally have been working on it, on and off, for a couple of months. So maybe those issues can be addressed then; maybe they cannot. It is something we shall have to examine at the time when the new act is proposed.

In the meantime, with respect to raises that might be covered over by vegetation and would not support people; with respect to stopes a short distance under the ground that may have subsidence problems attached to them, based on the mining drawings we have; with respect to abandoned tailings sites, there is a need for us in certain circumstances to expend public moneys to remove these hazards and that is why we do it.

Mr. Laughren: You should not have to.

10:50 a.m.

Hon. Mr. Pope: With respect to the Elliot Lake issue, there has been work done on the issue by a number of ministries. First, the select committee on Ontario Hydro affairs went up and examined the mine tailings sites there. I gather they toured the facilities at Denison and made some recommendations.

We have been working on a response in which a number of ministries are involved. All I can helpfully say right now is that the work is being done on a draft response at this time. I hope it will be finalized fairly soon and that statements on it will be made in the near future by a number of ministers.

I am not aware of any move by the Ontario government to restrict the Atomic Energy Control Board to northern Ontario in its efforts to find nuclear waste disposal sites.

Mr. Laughren: Check with Mr. Welch, or perhaps Mr. Norton, I am not sure.

Hon. Mr. Pope: All I can tell you is that I am not aware of them. I was not involved in them.

Mr. Laughren: No, you are a northern member. They are not going to tell you, you would be mad at them.

Mr. Eakins: They looked at Edwardsburgh and they did not tell Claude Bennett.

Mr. Laughren: They treat you like a mushroom occasionally, don't they?

Hon. Mr. Pope: I just pass it on. Isn't that what you said earlier?

This issue is causing some concern—the member quite rightly reflects it—in Sudbury and in the Elliot Lake area. Exploration is taking place. The examination of geological formations is taking place, as is drilling. We have tried with some success to take steps to protect existing cottages, outpost camps and private mining claims from this activity. That is all I can helpfully add as far as my role is concerned.

Mr. Laughren: What is your position on the disposal of nuclear waste?

Hon. Mr. Pope: The government's position is that the Ontario Energy Corporation is to drill for disposal sites.

Mr. Laughren: Does it not bother you that they are doing it in the north?

Hon. Mr. Pope: The government's position is they are free to drill.

Mr. Laughren: Of course. They are free to do whatever they want. How do you feel about that?

Hon. Mr. Pope: How I feel about it has nothing to do with the government's position or with the ministry.

Mr. Laughren: It certainly does. If you wanted to stand up for the part of the province that needs to be stood up for occasionally, you would not say that.

Hon. Mr. Pope: You think that I do not stand up for parts of the province that need to be stood up for occasionally? Of course, you are not in cabinet and would not know what happens. That is all I can tell you.

Mr. Chairman: Gentlemen, I think we will move on. We have several other people who wish to direct questions to the minister. On item 4, I have Messrs. McKessock, McGuigan and Riddell. After we are through with those three questions, we will call for a vote on item 4 and move along. Time is running out.

Mr. McKessock: Mr. Minister, I am not sure whether you will have received this letter and resolution from Dufferin county council as yet. It is dated November 20. It is short and I would like to read my copy of the resolution to you. The motion passed at Dufferin county council reads: "That the county of Dufferin petition the Minister of Natural Resources and the local MPPs to reconsider the removal of the forestry headquarters from Dufferin county for the following reasons:

"1. The removal of fire equipment leaves a larger protection load on the local fire brigade and due to the longer distance of travel required to service the area by these brigades it increases the risk of a fire getting out of control and creating extensive damage to our forests.

"2. The removal of the personnel creates a lack of supervision of the county forest, thereby presenting more opportunities for vandalism.

"3. The removal of equipment means that services such as garbage and snow removal will become nonexistent and maintenance in general will be greatly reduced.

"4. The removal of headquarters will require personnel to travel greater distances to work and back, increasing travel costs, also creating less productivity through loss of man-hours."

That was signed by the board of Dufferin county.

Mr. Laughren: Where are they moving you to, Shining Tree?

Mr. McKessock: "The foregoing motion resulted from a resolution received from the township of Mulmur voicing strong opposition to the closing of the headquarters at Dufferin county forest. The township of Mulmur is very concerned about the removal of fire equipment from the forest headquarters and the lack of supervision that will be forthcoming at all times to the forestry camp in order that the inmates may have the availability of the forestry personnel to oversee their work projects.

"It will be appreciated if you would seriously consider leaving the forestry headquarters at the main tract in Mulmur as Dufferin county believes that greater efficiency will be attained if the headquarters is not moved to Midhurst."

Mr. Eakins: Whose riding is Midhurst in?

Mr. McKessock: I am not sure.

Hon. Mr. Pope: I do not know. Whose is it in?

Mr. Eakins: It was just a point of interest.

Mr. McKessock: Mr. Minister, could you comment on that?

Hon. Mr. Pope: It sounds like what I heard from Coldwater. It is in the same member's riding, by the way.

I have not read the letter. I do not know whether I have received it or not. I will look at what they have to say.

We have made some sizeable expansions at Midhurst that have affected the Coldwater office and, I gather, this office. Construction has already virtually been completed on this and was well under way when I became minister. At this point it is difficult to see us reversing it. But I have not seen the concerns of your people, so I will have to have a look at it and respond to you.

Mr. Chairman: If Mr. McGuigan has no objection, Mr. McEwen has a supplementary.

Mr. McEwen: I spoke briefly on the same subject at the previous meeting in regard to the area of Plevna and the closing of the ministry's office there; the fire protection that community does not have the advantage of at the present time; the need for personnel to travel each day from Tweed to those outlying areas, a distance of anything from 40 to 60 miles each way—it deprives the community of the advantage of having some fire protection.

I have been told by your ministry in Tweed that the surveillance is conducted by helicopter or by plane. It has also been pointed out that the present operation is much more expensive than it was before when personnel were located in the suboffice. I want to ask you if you will reconsider giving back that service.

Hon. Mr. Pope: Are you saying, in terms of fire protection, that the community was using one of the MNR pumps and some of the hose—that it was on standby and some of the personnel of MNR were making themselves available for fire purposes?

Mr. McEwen: It was an advantage for the community, but I am also speaking in relation to

the additional costs and the additional time lost in travelling from Tweed to Plevna and other areas.

11 a.m.

Hon. Mr. Pope: Yes, I understand that issue. But you are also dealing with the fire issue and I am saying if some of our personnel still live there I do not see any problem—and I will investigate it further with the staff—in keeping a pump and some lengths of hose at one of the employees' homes so it can be used when there is a fire.

Mr. McEwen: Just a bit farther on your personnel from Tweed and their supervision. They attended that area and gave instructions that the Natural Resources signs be removed by chainsaw and disposed of, without any discussion with the community. I will leave that with you, Mr. Minister.

Mr. McGuigan: I want to talk about soil erosion and in review point out that your conservation authorities, as I understand it, are doing a lot of work on the landscape surrounding the rivers and are trying to deal with the floodwaters that come into the river and provide for flood plains and for works on the river to get this water away. I would like to submit the real problem that is coming into Ontario and all of North America is the fact that we have cleared so much land and we are growing single crops—monoculture is the term used. People in southwestern Ontario grow soya beans or corn and very little pasture and hay in the old mixed farming type of system.

There seems to be an area here that falls between your ministry and Agriculture and Food. It probably falls more in the area of Agriculture and Food than it does in yours, but I just want to alert you to the great need there is for your ministry and Agriculture and Food to get together and decide on how you are going to cover this area. You cover the watersheds. The Ministry of Agriculture and Food provides some payments to farmers who put in grassed waterways or move ditches or dig out fence rows or put fence rows in and this sort of thing. This is really just sort of nibbling around the edges of the real problem, which is the farm land itself.

It began in the United States back in the 1930s with the establishment of soil conservation districts. Even with the work that has been done in the United States with soil conservation districts, they estimate today the problem is worse than ever, simply because land is being

farmed so much more intensively and the volumes of soil that are being lost today are greater than they were back in the 1930s when everyone was very concerned, alarmed and upset about soil erosion.

They used to have flooding of the Mississippi and Ohio rivers, which we do not seem to have now to the same degree. They put in bigger levies and bigger dikes and you do not have those dramatic results any more. Nevertheless, the tonnage of soil leaving Canadian and American farms is greater than ever.

What makes this so important today is that over the last number of years we have been stepping up our yields by two methods. One is the breeding of new and better varieties—and we seem to have pretty well come to the end of that. We have gone just about as far as we can in hybridization. True, we are getting some steady rate of increase in yields, but it is a very small rate compared with the early days of that type of research.

The other reason we have been getting large yields is from heavy fertilizer use and we have pretty well come to the end of that too. The cost of fertilizer today of course is enormous. Nitrogen fertilizer, the main item, is tied absolutely to the price of fuel. The ammonia portion of nitrogen fertilizer has the hydrogen atom as the stabilizing atom and you know what is happening with hydrogen-based products; the price is escalating.

We have come to a point where we have to start looking more to the saving of the soil, because every time we lose some of that surface soil we are losing all kinds of fertilizers, which are becoming very expensive to replace. What we need really is to take a look at the US system where they brought in soil conservation authorities and provided a carrot-stick approach to it.

They did not legislate it, forcing farmers with "thou shalt do this and thou shalt do that," but they did provide people and money to encourage farmers to go ahead with this work. It has not been as successful as it should be because as I mentioned they are losing more soil than ever, but it seems to me that your ministry and the Ministry of Agriculture and Food should get together and try and cover that middle ground.

I think you are doing a pretty good job with your conservation authorities with the limited money they have. It is visible, it is something you can see. They bought a park or they bought a piece of land or they bought some flood plain land to try and contain floods when the time comes.

The real problem is further up the watershed. I think it is getting worse. It was really evident this past summer if you happened to ride a train from Toronto to Chatham. You can see it more from the train than you can from Highway 401. It might sound like an inept exaggeration but on some of those fields the top soil had just washed away. There were rills two feet deep and they were close together.

I think we are having a real problem. It is not the dramatic one you might see when a river floods and so that is the reason that attention is not being given to it. But if you read the literature and listen to a lot of North American agricultural experts they are now coming around and saying we cannot sustain our present yields with our present soil management. The yields are going to start reversing themselves.

We have not reached that point yet because we are still going ahead and pouring on massive amounts of fertilizer, but the farmers are going broke doing that and they are about at the end of borrowing on their equity to keep on with that type of production. This is a special project of mine, an interest of mine, and I just wanted to bring to your attention that a lot more needs to be done in that area.

Mr. McKessock: We have to start putting back some of the fence rows we took out in the last 10 years.

Mr. McGuigan: But it is more than that. We like to do things such as put in a windbreak or fence row, something you can see as evidence. But it is only nibbling at the edges of the problem.

Hon. Mr. Pope: I think you are right. We got together with the Ministry of Agriculture and Food, for instance, on the wetlands policy we put out. We wanted their input in it. In addition, there have been a couple of areas where there have been real clashes between drainage and river basin systems, like the South Nations River, and we have been trying to work directly with two ministries together.

I went out myself, and I know Lorne Henderson has been out, in the South Nations River area, meeting with the municipal leaders and with the Ontario Federation of Agriculture reps and some of the farmers in the area, trying to—

Mr. Laughren: Perhaps it was Mr. McNeil.

Hon. Mr. Pope: He might have been, now that you mention it.

I think you are right and we are now making more direct efforts in each of these basin areas to work with Agriculture and Food, because we

have some serious problems in some areas like Lake Simcoe where the drainage is really causing some water quality problems as well as affecting fish.

Mr. McGuigan: The mouth of the Thames is one.

Hon. Mr. Pope: Yes, that is another one. So I think you are right and I hope we will keep working at it and come up with some way of locking together the two programs and treating them as one. I think when we start doing that we are then going to have an impact in terms of soil preservation the way you have described it.

Mr. G. I. Miller: Mr. Chairman, I was wondering, is the minister aware that about 10 or 12 years ago we, as members of the Long Point Conservation Authority, were on a conservation tour in Quebec? They had a special project just outside Montreal where they were controlling runoff and doing a considerable study I believe through the Ministry of Agriculture and the conservation authority within Quebec. That was 12 years ago. I am wondering if your ministry was aware of their program.

Again, I know the conservation authorities, particularly the Long Point authority, have done considerable work in runoff programs. I think Norfolk county is another good example in the tobacco industry where they take a tobacco crop off and then they seed it with rye or wheat, so it is left with a top covering for the winter which controls runoff.

11:10 a.m.

I just wanted to bring to the attention of the ministry that there are programs, particularly in the Long Point conservation area, which are being carried out and that Quebec has been working on that direction for some 10 or 12 years. It may be worthwhile implementing and expanding that program in Ontario.

Hon. Mr. Pope: I have not seen it, although I assume our staff will have done. I will try to track it down.

Mr. Riddell: I share the concerns that have been expressed regarding soil erosion. There is no question that we are losing a lot of good soil, particularly in those parts of Ontario where there have been very intensive farming operations. Of course, we have seen the disappearance of our woodlots. We have seen, as Mr. McKessock suggested, the disappearance of our fence rows and we have created a lot of the problems which we are now encountering.

I think the one authority that has been endeavouring to correct this is the conservation

authority and I think it could well do the job for which Mr. McGuigan is suggesting that a soil conservation authority be established. However, the word we are getting is that the conservation authorities are going to be very restricted in what they can do, even along the lines of soil conservation, water control, et cetera.

I would like to read a letter into the record in order to draw to the minister's attention that these people are really concerned. It is from the Ausable-Bayfield Conservation Authority, signed by the chairman, Ivan Hearn. It has to do with funding and reads, in part:

"When the majority of conservation authorities were established in the late 1940s and 1950s, funding from the province was plentiful. During the last decade the province has found itself unable to financially match the dollars for conservation raised through the local conservation authorities and worse yet has reduced funding. Conservation authorities in Ontario have tried to appreciate the need for restraint and budget cuts. These two processes have now reached a limit and we must speak up.

"In 1982, the Ausable-Bayfield Conservation Authority will have 50 per cent of the dollars they had two years ago. This figure is a result of inflation and budget cuts. Example budget cuts assuming or using a 1979 base as \$1—1980, 95 per cent of 1979 or 95 cents; 1981, 95 per cent of 1980, or 90.25 cents plus mid-year cut of 6.5 per cent amounting to 84.38 cents, plus 6.5 per cent cut before calculating 1982 budget, 78.9 cents; 1982, 95 per cent of the above, 74.95 cents."

"With inflation rates over the last two years the 74.95 cents quickly approaches 50 cents. By the fall of 1982, assuming no budget increase or a further budget cut, the Ausable-Bayfield Conservation Authority will have to let 25 to 50 per cent of their permanent staff go."

I know the excellent work this authority has been doing in trying to control erosion and to keep water tables high and so on. They are concerned about what they are going to be able to do in the future in connection with these programs. The letter goes on:

"At worst it would be nice to know what Ministry of Natural Resources' long-term thoughts are for conservation authorities. In 1982, the Ausable-Bayfield Conservation Authority will not be able to properly service the needs of their participating municipalities."

It would do the minister some good to take a flight in one of the government aircraft over the area between Grand Bend and Douglas Point, where the nuclear plant is, and take a look at the

erosion that has occurred over the years. It is just unbelievable how far back into the land those gully erosions have gone. It is really a crime. The conservation authorities are doing their best to stop this, but they are awfully concerned about what their programs are going to consist of next year and the year after that with the kind of budget cuts they are looking at.

The letter continues: "Projects such as erosion control in Bayfield and Grand Bend, flood plain management for Seaforth and Port Franks, development of existing conservation areas, the initiation of new projects and the acquisition of wetlands will not be possible."

The next part has to do with the Environmental Assessment Act: "The intent of conducting environmental assessments may have been good. The good has, however, been carried to the ridiculous. As of January 1, 1982, all erosion control projects, no matter how small the cost, must have exemption or approval under the Environmental Assessment Act.

"This requirement doesn't sound too bad until you consider that Ministry of the Environment's environmental assessment section is not sure of what they want and the cost and time of conducting an environmental assessment may be prohibitive. The Metro Toronto and Region Conservation Authority, the Grand River Conservation Authority and the Upper Thames River Conservation Authority have firsthand knowledge about the cost, time and expense of conducting environmental assessments.

"It is interesting to note that a private individual is not required to undertake an environmental assessment, but should the conservation authority wish to assist a farmer with an erosion problem an environmental assessment is required. It would be good to see a pound (Kgm) of common sense for every pound (Kgm) of policy.

"Your assistance in these two matters would be greatly appreciated."

I draw this letter to the minister's attention to point out that in my opinion these conservation authorities have been doing an excellent job. There are some who may not agree with me, but I think the conservation authorities in my area have been a tremendous asset to the communities they serve. Yet, they are really worried that their programs are going to have to be curtailed because of the very restricted funding. I wonder if the minister would like to comment on the concerns expressed in this letter.

Hon. Mr. Pope: A number of conservation authorities have voiced similar concerns to their members. The issue of land erosion around the lakes was discussed. I think Mr. Miller brought it up a couple of nights ago.

It is true that the activities of the conservation authority are going to fall within the Environmental Assessment Act and that will have a cost effect. I am not sure if you are advancing the position that they should be exempt.

Mr. G. I. Miller: They probably should be simplified, not exempt.

Hon. Mr. Pope: It is true that the conservation authorities were subject to some constraint and we think that most authorities have coped with that restraint. We think that they have done it by having a good look at their administrative expenses and by prioritizing their programs.

I do not believe, with the funding we are providing to conservation authorities, that they are going to have to cease all the activities that you indicated. If the word is "curtail," yes, they are going to have to curtail, but they have always had to curtail no matter what level of funding we gave them. They have a long list of programs that have been approved or that they want to have approval for and after they go through that process they have to get funding approval.

There always has been a drag between program approval and funding approval. It would not matter what the level of funding was, there would be a curtailment of what they want to do. It has to be phased in, it has to be prioritized. We have to establish priorities as between conservation authorities as well as between regions.

11:20 a.m.

We have indicated to them quite clearly that we attach a high priority to flood management, flood control, waterway control and land acquisition in the flood plain areas, as well as flood plain designation and mapping programs. With the money available in this budget they can carry on with those programs.

We will never answer all of their needs. We will never go quickly enough for them. But there is a good level of funding there for them to carry on with. We have seen evidence of that since we have had our discussions with the chairmen of the conservation authorities over the summer months.

I do not think you will see massive layoffs. You will see them examining some of their

costs. We have already had some discussion about how we and the authorities can reduce some of the costs of planning studies. Instead of both of us resorting to consultants to analyse each other's work, maybe we should just have one study and agree on it.

That is a very expensive item, by the way, in the conservation authorities' budgets. We have asked them for their comments on how we can dovetail our requirements into theirs and reduce some of the cost of the whole planning operation. They have indicated some areas to us already, and if we can work on those areas, we think we can free up more money for projects and spend less money for some of the other things that are necessary, no doubt, but which can be contained, costwise, a little better than has been done.

Mr. Riddell: If these conservation authorities could prove to you without any doubt that many of what you call their priority programs would be rendered less effective because of the severe budget cuts, would they be eligible for additional funding, in order to keep those priority programs moving ahead?

Hon. Mr. Pope: If you talk to them, you are going to find they have a list of capital projects and land acquisition projects they want to do. You will find their real complaint is that they are not getting the money to do it fast enough, and you will find that most of them are at various stages of implementing those programs. I don't think you will see it in absolute terms.

Mr. Riddell: I have another short matter. Does your ministry still have a program whereby they lease land in northern Ontario for cottages?

Hon. Mr. Pope: Yes.

Mr. Riddell: Is it a lease arrangement, or do you sever land and sell it?

Mr. Eakins: That is the question I asked you.

Hon. Mr. Pope: Historically there have been a number of different programs and they have all overlapped. We have been trying to draw them together and to give conversion rights based on the original arrangements with the ministry at the time the leases or land-use permits were occupied. We are trying to reduce the number of different classes of establishments to try to clean up the whole regulatory aspect of that area.

Mr. Laughren: You had a good program and you scuppered it.

Mr. Eakins: Frank Miller brought out a subdivision plan.

Hon. Mr. Pope: Which one?

Mr. Eakins: When he was minister.

Hon. Mr. Pope: Which one, the leasing program? The one on a 10 per cent market value, or the one before that?

Mr. Eakins: It was an auction program.

Hon. Mr. Pope: In the auction program, 10 per cent of the auction price was payable yearly as rent. There was another one where they had appraisals and they paid 10 per cent of the appraisals. In another one, there was a straight dollar figure per month for the lease.

Mr. Laughren: What I had in mind was a leasing program versus the conversion.

Mr. Riddell: I have had considerable correspondence with the Minister of Municipal Affairs and Housing (Mr. Bennett) in connection with people who have either purchased or leased such land. I do not think I have drawn it to your attention previously.

The people who have acquired this land, whether through a leasing arrangement or a purchase agreement, are restricted as to the type of accommodation they can put on that land, probably because of the zoning bylaws of the municipalities. Some of these municipalities are asking for a relatively large type of accommodation to be constructed, which in the opinion of people who have contacted me is absolutely ridiculous. For the period of time that they spend up there, they do not need what you might call a second house. They do not need accommodation that large.

Some people would like to drag one of those trailer homes on to the lot and use it and they are prevented from doing so, again, because of the zoning bylaws of the municipality. They find it rather odd that the Ministry of Energy can be telling people to conserve energy yet on the other hand they have to put up a relatively large type structure on the land they have acquired, which takes much more energy to heat if they are going to be using it in the colder months of the year.

I do not know whether your answer is going to be, "We have no jurisdiction over the municipalities and the type of bylaws they pass." But the people who have acquired this land are pretty upset that they are compelled to put up much larger structures than they want to and are prevented from putting on the lots good-looking trailer homes which they feel would be adequate for their purposes to make the use they want to of the property.

Mr. Laughren: Is that lakefront property you are talking about?

Mr. Riddell: Yes, most of this is lakefront property. They are told they have to put up accommodation that is either 1,200 square feet or 1,800 square feet, something of this nature, whereas they would like to put up something which is 600 square feet and they cannot do it, because the bylaw says, "No, you will not build unless you put up a 1,200 square foot building." They just find this very ridiculous.

I do not know whether there is anything the minister can do about that, or whether it is completely under the jurisdiction of the municipality.

Hon. Mr. Pope: I do not know if it would be a zoning bylaw. Some municipalities have bylaws that require the issuance of a building permit to locate a mobile home upon land. The provincial government was trying to have all the municipalities do that in the mid 1970s. It may be for some reason with respect to the local bylaws that the individual in question cannot get a building permit.

I am not aware of any policy of ours that would prevent the location of a mobile home, but perhaps you can send me a copy of your correspondence.

Mr. Riddell: I will do that.

Hon. Mr. Pope: I can look at it.

Mr. G. I. Miller: Mr. Chairman, I have a supplementary in regard to the erosion of —

Mr. Chairman: I would like to point out, Mr. Miller, that we have an hour left to go through half of the vote 2502 and all of the vote of 2503. I would think there will undoubtedly be many questions asked under vote 2503.

Mr. G. I. Miller: Just briefly, would you consider creating a make-work program because of the unemployment situation? Maybe you would give consideration to erosion control as one that might fit into such a program, if it does come to that point.

Hon. Mr. Pope: I will look at it, but I cannot really offer that much hope for that.

Mr. G. I. Miller: We might be looking for jobs. There are long-term benefits in this type of program.

Mr. McGuigan: Mr. Chairman, may I have a quick supplementary? What are the chances of exempting these erosion projects from the Environmental Assessment Act? What are the arguments? I know it is very costly, we had an environmental assessment this summer.

Hon. Mr. Pope: Even if you got an exemption from the Ministry of the Environment, docu-

mentation would have to be supplied. You might either go for a class exemption for erosion control works carried on by conservation authorities, then you would still have to file information with respect to each specific project as—

Interjection.

Hon. Mr. Pope: I am just explaining the process.

Mr. McKessock: Why would a project that would help the environment have to be subjected to the Environmental Assessment Act?

Hon. Mr. Pope: For the same reason that the locating of parks on parkland is subject to the Environmental Assessment Act.

Mr. Laughren: The same reason as for South Cayuga.

Mr. McKessock: That is a little different. The conservation projects are ultimately to protect the environment, whereas you could question building a park, because maybe its natural state is better. But no conservation authority would be building anything that is going to be detrimental to the environment, I would not think.

Hon. Mr. Pope: That is not necessarily true. But getting back to erosion control projects—
11:30 a.m.

Mr. Laughren: Stop looking for consistency.

Hon. Mr. Pope: The only way of handling that is to meet with the Environment officials and see if there is a class exemption that can be applied for. We give general terms of that and, I understood, a requirement to file, but at least then you can proceed with specific projects.

Mr. McGuigan: I do not want to take time. However, would you take a look at it and see what the possibilities are?

Hon. Mr. Pope: Okay.

Item 4 agreed to.

Item 5 agreed to.

On item 6, surveys and mapping activity:

Mr. Chairman: We had a film on that for 20 minutes the other night.

Mr. Laughren: Is that what that was?

Mr. Chairman: That is what that was, Mr. Laughren.

Mr. Barlow: Do you want a rerun?

Mr. Laughren: Can I ask very briefly, at some point, is the minister going to respond to the cost of access roads under the FMA?

Hon. Mr. Pope: Yes.

Mr. Laughren: We can deal with it under forestry. We do not need to do it here.

Hon. Mr. Pope: Yes. There are a number of forestry issues that I was going to reply to actually.

Mr. Laughren: Fine.

Item 6 agreed to.

Vote 2502 agreed to.

On vote 2503, outdoor recreation program; item 1, recreational area activity:

Mr. Eakins: First of all, following the last vote, I wonder if I could ask the minister if his ministry might prepare a report for myself and perhaps other members on the subdivision of land for public purchase or lease, what land has been leased or sold, what subdivisions are still available and what the requirements are for building?

I recall that this was introduced under the minister's predecessor, Mr. F. S. Miller. I have had some people ask me if land is still available. I wonder if your ministry would prepare a report on just what land is available and on the future plans for subdividing. Just to bring us up to date on it.

Hon. Mr. Pope: Yes. It is going to take a bit of time to do that because we will have to gather it in from each district. That is where the carrying-on of the program is done. But we will get it together for you.

Mr. Eakins: There was a specific plan that Mr. Miller introduced of where these places were. I have heard nothing further. Perhaps they have all been picked up, but some people are still asking and it is just a matter of being able to tell them what the answer is.

Hon. Mr. Pope: Yes. The policy, with respect to lease versus purchase, and the timing of the providing of—

Mr. Eakins: Just a general overview of the situation.

Hon. Mr. Pope: On these kinds of things, we can give you what the existing policy is with the proviso that we are already reviewing it. Because we see some problems ahead, for instance, with the percentage of coverage of the shoreline by these lots as opposed to public access and a number of other issues. We have been working on it, but we will get what we can together for you.

Mr. Eakins: All right. That is fine. My colleague, Mr. McKessock, mentioned Midhurst. I believe this is the area where you keep a number of the animals before releasing them.

Hon. Mr. Pope: Yes.

Mr. Eakins: It is Midhurst, also, that is the centre for your exhibits which attend the various fall fairs around the province, the sportsman's show and others. I just want to place on record my appreciation; I have expressed it in the past.

I think it is excellent public relations for the ministry to be involved in the various fairs across the province, and the exhibit at the sportsman's show in particular is exceptional. I hope the ministry will keep being involved in it because for many people across the province it is the only opportunity they have to see many of the birds, animals, et cetera. It is excellent public relations.

There are a number of areas under vote 2503, item 1. I just want to touch on a few of them quickly and spend maybe a little more time on others.

On the parks reservation system: I wonder if you could inform the committee, Mr. Minister, how this is working out. Is it successful? Do people keep their reservations? What about the people in the private campgrounds? Do you refer people to the private campgrounds if yours are full? What is the co-operation there? How is the program working out?

Hon. Mr. Pope: I think the program is working fairly well. The reservation system, from all we can gather, was fairly widely used this summer and it dovetailed into the Ministry of Industry and Tourism. We experienced a six per cent increase in park attendance this year. We increased our revenues by 4.7 per cent over last year, so I think it has been a very successful year. Of course some parks had a greater increase than others. Carillon Park, for instance—

Mr. Eakins: What is the percentage of subsidy in the parks that the ministry provides? I think at one time it was fairly high but it has been reduced. Do you know what proportion of the fees are paid to carry the cost of the park? What percentage does the ministry contribute as a subsidy?

Hon. Mr. Pope: Just off the top of my head, I recall our parks budget was \$20.2 million this year; revenues, I am not sure.

Mr. Eakins: Perhaps the minister might reply later on that rather than taking up time. I was just wondering about the percentage on that.

Do you plan any changes in the reservation system or in the parks program generally as far as the operation of the provincial parks are concerned?

Hon. Mr. Pope: I am sorry, there is one part of your original question I did not answer. It is my understanding that when our parks are full or if the reservation system is full we are referring people and providing them actually with written material which is updated every summer on the opportunities for private campgrounds. I have seen brochures in the Parry Sound area, for instance, giving information which refers people who attend at the Natural Resources offices and the parks offices to the location of the campgrounds, refers them to the facilities present in the campgrounds, for their information, and gives them a general range of the rates charged. This information is given out.

Whether or not that system is working as well as it might in all areas of the province is something I could not speculate on. I think the private campground organizations are fairly happy with the degree of co-operation they have been getting. They recently had a meeting—our people were there—and they expressed appreciation of the co-operation and indicated that things had improved quite a bit in the last couple of years in terms of the co-ordination of these activities.

We are always looking for ways to improve our analysis of the type of use. We are analysing the areas from which we are drawing. For instance, we know that in Carillon Park, 90 to 95 per cent of the licence plates are from the province of Quebec. Our parks superintendent has been in Montreal on speaking engagements and to produce other advertisements to try to attract people there. We look upon that park as providing good opportunity for expansion.

We know that some of the St. Lawrence Parks Commission areas are heavily used by people from Ottawa. I have been there a number of times. I have been to Carillon Park on a number of occasions, and observed and talked to the people who have been there to see what—

Mr. Boudria: And you did not drop by to visit me?

Hon. Mr. Pope: Sorry about that, I was just anxious to get to that park. In fact, the day I arrived, the park was full by 10:30 in the morning.

Mr. Boudria: It usually is on Sunday.

Mr. Eakins: What about rowdiness in the parks? Has this decreased, or are you having—

Mr. Laughren: Are you for or against it?

Hon. Mr. Pope: I wonder if I can give a straight answer to that question.

Mr. Eakins: This was a problem a while ago. I believe that especially in the early part of the season there was a ban on the consumption of alcohol in some parks and some parks did not open until later. Has this proved effective?

Hon. Mr. Pope: We think it has. In some areas we are going to try and open it up a bit again, hoping there will be no further problems. In other areas we are just keeping the controls on. During the summer, I received a couple of letters of complaint about rowdiness, but more complaints about the parks employees telling them to keep quiet at night. I think the parks employees should be doing their kind of work so I disagree with those letters of complaint.

We only had one or two letters I can recall during the summer with respect to rowdiness and noise later at night. As I say the rest of them have been on the other side.

11:40 a.m.

I think it has to be a goal of the parks system to control rowdiness, to make sure it is a family activity and to make sure people are not intimidated from using our parks by any kind of activity that might be carried on there. That is the way we have to go in order to increase our attendance. We are prepared to use whatever means we have to to create that sort of atmosphere for the families who go there, because we want them to come back.

Mr. Eakins: I have three in my riding, Silent Lake, Emily and Balsam Lake. I think the reports on the parks generally are pretty good. They are certainly full and they do a good job.

Do you have any major changes you are going to be making in regard to parks?

Hon. Mr. Pope: Just the activities now engaged in under strategic land-use planning. We are hoping to increase the number of parks and increase the diversity of recreation opportunities available in them. We are continuing to work towards that.

Mr. Eakins: I just want to move on to your involvement with the Canada-Ontario Rideau-Trent-Severn system agreement. Have you anything new to report on that? It seems to be doing a good job and I have been to a number of open meetings they have held. That work is continuing. Is there something we should be aware of as far as your involvement with the feds on this is concerned?

Hon. Mr. Pope: No, I think we have exchanged a number of proposals with respect to overall planning. I know there is a concern about public

access points along that system. We are trying to work at improving that and acquiring some land along there.

The phasing of it, our contribution—a number of those issues are always going to be debatable, but I think we have a good working relationship and we can function within that. I think you are right; it is progressing pretty well.

Mr. Eakins: Well, it is one of the most unique systems in the world. I think it is something we ought to make sure continues and is well developed and is not just another large well-planned commercial enterprise.

I think you have good appointments to the CORTS committee and the people on it whom I know personally are people who are very much involved in that type of life and understand it. I hope the relationship will continue and the committee will continue to make the good contribution they have in the past.

I wonder about your ministry's commitment to the Parks Assistance Act. Just two weeks ago in the village of Cobocok, actually Bexley township, I was present when they sort of turned the sod or officially opened this park. They pointed out to me that what it does for their community is tremendous; not only the community, but the total area, especially where tourism is a big part of the economy. It is my hope the part you play in the Parks Assistance Act will continue.

Do you see any change in the future in this? Is this going to continue?

Hon. Mr. Pope: I think we have about a 10 per cent increase in that budget item in this year's estimates over last, so I think we are trying to continue. I am continually getting proposals across my desk for signature—

Mr. Eakins: But there are no policy changes being planned as far as you are aware?

Hon. Mr. Pope: Not at this time, no.

Mr. Eakins: And you still have a solid commitment to this program?

Hon. Mr. Pope: Yes.

Mr. Eakins: I think it does a good job and I have witnessed a number of areas where the Parks Assistance Act has been most helpful and I just hope it will continue.

I wanted to talk about the funding for the various recreational areas for the snowmobile clubs. I wondered if the minister is aware that, following your announcement that the funding was going to be either curtailed or decreased, there was certainly a lot of activity and concern among the clubs.

It is my feeling that whatever your plans are for this year to continue the funding it should be looked at in long range because of the contribution these clubs, on a volunteer basis, are rendering not only through your ministry, but through the Ministry of Industry and Tourism. This is one area where there must be a very close working relationship between the two ministries. I do not think you can separate the two, because of what snowmobiling has meant, especially in winter activity, to tourism in Ontario.

In the past, we tended to look at tourism in Ontario as something which took place from spring until fall. Then you sort of locked up for the winter. But what has happened in the snowmobile industry and winter activity has made completely new possibilities for the development of tourism in Ontario. I hope your long-range plans are going to assist this area.

I know we have both received many letters and this points out the close relationship which has to exist. I wondered, on this year's basis, Mr. Minister, while you had planned to curtail the funding I understand now it has been put back on in September. Is that on a full basis or 40 per cent? I had a figure of 40 per cent funding mentioned.

Hon. Mr. Pope: I think that is speculation.

Mr. Eakins: It is not reckoned as a shutdown?

Hon. Mr. Pope: The amount is speculation. There has been provision made for some assistance to be given to the clubs caught by this sudden announcement with some outstanding obligations. We have asked the associations, the federations and the clubs to let us know what their problems are. We told them we will try to have money available to help them out of those kinds of problems, but that the program is not going to continue.

Mr. Eakins: Not at all?

Hon. Mr. Pope: That is right.

Mr. Eakins: You are not going to continue funding the snowmobile clubs in the future?

Hon. Mr. Pope: Right.

Mr. Eakins: I think that is a big mistake. Before you make that decision, you should certainly have a very close talk with Mr. Grossman. The two work together and I do not think you can separate them—

Mr. Laughren: Try to negotiate with Grossman?

Mr. Eakins: —because the success of the tourist industry in the winter depends a great

deal on skiing and snowmobiling. Take areas like Haliburton county, where a great part of it is crown land. There has to be some access. I do not think you can say, "Well, it has to be on a user-pay basis," because how are you going to deal with crown land?

A year or two ago, or longer, we started the Trespass to Property Act, and its purpose and that of the Occupiers' Liability Act was simply to create more opportunities for people to use private land and crown land; to make sure more people had access all year round, especially in the wintertime, for sports activities. It seems to me to cut down on that now is a very big mistake.

I recall just about a year ago, your predecessor, Mr. Auld, spoke in glowing terms about the fact the ministry was going to be very supportive of the snowmobile clubs in Ontario. I think he officially cut the cake or cut the tape, whichever it was, to open the—

Mr. Boudria: Cut the red tape?

Mr. Eakins: No, I do not think it was the red tape, knowing Jimmy. I recall his saying the ministry had a commitment to this and it was at the opening of a transprovincial trail. It was the first of a series and I feel the ministry made a commitment at that time.

11:50 a.m.

I wanted to point out how closely related this is and why the ministry has to be involved; if not yours, certainly the Ministry of Industry and Tourism.

For instance, concerning the people in the holiday areas: Many of the lodges have expanded because of what snowmobiling means to the area and this has been because of ministry support. I know many have received loans from the Ministry of Industry and Tourism to upgrade the facilities to accommodate this great surge of business because of this particular field. I think it has been pointed out in a letter to you by the manager of the Haliburton Highlands Chamber of Commerce, Mr. Stinson, and I want to quote one paragraph of his letter.

He said: "If you were to check with your colleagues in the Ministry of Industry and Tourism you will find that a great deal of advance planning and a good deal of lead time is required for the marketing of tourism agents. At the beginning of September, our organization and our members submitted to the Ministry of Industry and Tourism vast amounts of information about winter activities, facilities and package rates which include the use of snowmobile

and ski trails. All that information was submitted based on the information and costs that we had available to us at that time. Now that all that information is running through the ministry's presses, your minister has decided to change the rules, which in turn changes the whole picture of what the operator can offer and thought he could offer when he prepared his package."

I also want to refer to one line of a letter that Mrs. Lahay, the clerk-treasurer of the county of Haliburton, wrote to Mr. Foster about the Irondale Bridge project, in which we appreciate the deputy minister promised that funds would be available to complete this. It was in cooperation with the Haliburton County Snowmobile Association. But Mrs. Lahay in her letter stated: "As you may be aware, this county has little economic base and promotions such as undertaken by the snowmobile club are vital for winter tourism."

I also want to refer to a letter by Blair Pierce of Haliburton, in writing to Mr. Grossman. This follows an announcement by Mr. Grossman that \$1.5 million has been added for advertising to highlight skiing, snowmobiling, ice fishing and other activities and events of the season. It shows the ministry had been advertising these winter activities. Dr. Pierce wrote to Mr. Grossman and I think this should be noted on the record.

"Dear Mr. Grossman:

"The recent announcement in Ontario Tourism that your ministry is planning on spending \$1.5 million to advertise winter tourism was received by myself and other cross-country skiers in Haliburton with a degree of incredulity that can only be created by government policy. As you may well know, your fellow ministry, that of Natural Resources, recently announced total cessation"—that was at that time—"of all trail funding for cross-country and snowmobile trails. Only after considerable pressure has an extension of the grants to 40 per cent"—and I guess that is right, Mr. Minister, it is 40 per cent—"of previous funding for one more season been obtained."

This paragraph is important: "It would seem wise to me that, before you advertise a product, make sure of its existence. Why not spend a bit of that \$1.5 million to develop the product and let the good skiing advertise itself?" And it is signed by Dr. Blair Pierce.

These letters show some of the concerns of many of the people in regard to your decision to cut down on the funding.

On Lake Kashagawigamog in Haliburton, one

of the lodges there has spent, I suppose, upwards of \$1 million in enlarging, especially for winter activities. The owner's wife wrote to thank me for my contribution to the Lake Kashagwigamog hockey tournaments program. She goes on to say in regard to this: "As a matter of interest, our portion of the proceeds collected through advertising goes towards grooming cross-country ski trails in the area. In the past we have barely covered expenses. With government grants cut back this season"—at least proposed at that time—"we are going to have a difficult time of it."

This shows that the people are using every method they can find to do their part in contributing towards these costs, but they certainly cannot do it alone. If you read the Ontario Federated Snowmobiler, October 1981, you will find what it means to many of the areas in regard to what snowmobiling has meant.

It states that in Haliburton county alone during the winter of 1980 the association "conducted an extensive study of snowmobile use in the county. Some of their findings are listed below; 88 per cent of nonresident snowmobilers purchase their supplies locally. . .

"Sixty-seven per cent of visiting snowmobilers said they would not come to the county if there were no marked, brushed or groomed trails. The remainder would come less often. This would represent a loss to the county's economy of over \$4 million per year.

"Eighty-one per cent indicated they would increase their snowmobiling activity if the trails system were improved.

"Ninety-nine per cent of snowmobilers felt that they did not receive a fair deal from government funding.

"Snowmobilers estimated their average per day costs at \$50, not including rental accommodation and travel in the county.

"Businessmen estimated that 41 per cent of their winter business is directly related to snowmobiling.

"Ninety per cent of the businesses questioned felt that better trails would help their business and encourage them to expand. The businessmen questioned indicated that such expansion would create a total of 53 full-time winter jobs.

"In spite of the obvious potential benefits of an expanded trails system to the winter tourist industry, the Haliburton County Snowmobile Association, like other trail-building groups, continues to be starved for funding to the point where even maintaining the existing trails is a tremendous struggle. This is a situation which makes no sense, economic or otherwise."

I understand from the snowmobile people that the Ministry of Natural Resources personnel have stated that it costs something upwards of \$200 per mile to maintain these trails, whereas I believe the assistance they have been receiving from your ministry averages somewhere around \$72.

In pointing out the importance of this—and I think we have to look at what it means to the economy of the province—I would say snowmobiling has a great spinoff effect in the economy, because first of all they must carry the snowmobile to the site and therefore they must have a trailer on which to do this. Then, of course, they must have trailer insurance. There is the maintenance of the machines. There is the gas tax and also the Ministry of Transportation and Communications fees for licensing. Now this is considerable; I think you will agree that there must be several million dollars involved in the licensing of these machines.

I put the point to you that while you might think it is not your responsibility or the responsibility of the Ministry of Natural Resources to be involved in this any more, I think we are letting down the snowmobilers and the associations by not being involved somewhere. If your ministry is not being involved, then I think before a final decision is made you must meet with the Ministry of Industry and Tourism people and arrive at some definite arrangement to assist these people.

These people spend many hours helping voluntarily; I know a number of the clubs spend a lot of hours in working to create trails. They give their time and the people who are employed are employed seasonally. Without your support I do not think this is possible.

12 noon

Also we cannot overlook a report that came out only today from the Minister of Transportation and Communications (Mr. Snow) talking about snowmobiler accidents. It arrived on my desk this morning. It pointed out the safety aspect of trail snowmobiling in keeping people off the roads; the majority of accidents have happened on highways and roads and the number of accidents has been reduced by keeping people off the roads and on the trails.

I can appreciate your feeling that perhaps it is time to shift the responsibility, but if we are going to promote tourism in Ontario I do not think we can expect the snowmobile clubs to do this on their own, specially if we say, "Well, we will have a user-pay basis." The purpose of the Trespass to Property Act was to encourage

greater use of property, especially crown land. When you consider certain areas—Haliburton is an example and there are many others, Muskoka and further north—how are you going to have a user-pay basis on crown land—and these people in the snowmobile clubs are really doing a great job in looking after crown land?

I suggest you do not make a hasty decision on cutting off the funding, because we have just encouraged the snowmobile clubs and people in Ontario to get involved. It is money well spent and it has to be supported.

I would like your comment on this and especially on what is going to happen with the Tourism people. Are they not going to become involved? Are they going to say, "It is not our involvement"? I just do not think we can leave them, even after this year, and say, "Well, I am sorry, we have played our part." They are struggling to get enough funding in whatever way they can. Some hold special events, they have draws, they are scraping for funds now just to keep the trails open.

It means millions of dollars to tourism in Ontario and tourism is our second largest industry. Let us remember that overall it is an \$8.5 billion industry to Ontario. When we consider that tourism could also get another knock if the Treasurer (Mr. F. S. Miller) decides not to reinstate the accommodation tax, this is going to make it even more difficult for many areas of tourism in Ontario. I know it does not involve your ministry, but I just point it out.

In the overall picture, the tourism industry is one we really have to assist. It is an integral part of the Ministry of Natural Resources and it is the one area to which I feel very strongly we have to make sure you make a big contribution, whether it is in snowmobiling or through our provincial parks, and you should get your credit for that. It is a big picture, so I urge you not to drop the funding to the snowmobile clubs and associations this year or next year or in the future.

Mr. Haggerty: You agree with that, don't you, Andy? It is a very reasonable approach to take.

Mr. Brandt: Your submissions are always quite reasonable, within limits.

Mr. Eakins: They are good submissions.

Mr. Boudria: That is our motto.

Hon. Mr. Pope: I do not think I can add much to what I have already said. It was introduced as a temporary program. I am sure the honourable member is aware that it is mildly controversial. There are organizations and clubs on both sides of the issue. We just made the decision we felt we had to make under the circumstances.

Mr. Eakins: I just wanted to point out something to you. You mentioned that it was seed money. I have been reading your predecessor's comments and the only place that I can find where there is a reference to seed money is in seed money having to do with signing.

He was talking about how important the seed money was for signing. Even other jurisdictions outside Ontario and internationally are very taken with the signing program and are following it. Certainly the signing seed money does not mean it is seed money for the overall program; it is just one part of it.

I may be wrong, but I see no reference to the money for the total program as being something temporary. Surely you must realize that the program is so important that you cannot just say, "Next year we are not going to be involved in it." I do not think that the clubs can be just dropped like that.

They are not self-interest clubs. My heavens, they are out there working for anyone who wants to come and enjoy the trails. It is for the people of Ontario. It is not just the few hundred people in each club or whatever it is that this money is going to help. They are grooming the trails and anyone is welcome to go and be a part of it.

It just seems wrong to me to say you are not going to fund them any more. It is your plan that starting next year there will be no funding?

Hon. Mr. Pope: Yes.

Mr. Eakins: I think you are wrong. I would urge the minister to reconsider. Have you any knowledge that if your ministry drops it, the Ministry of Industry and Tourism will pick it up or become more involved? Is it being transferred?

Hon. Mr. Pope: No, I do not have that knowledge.

Mr. Eakins: You do not know that it is going to be transferred, just that this is the last year of funding by your ministry?

Hon. Mr. Pope: Yes.

Mr. Eakins: What then is the degree of funding for this year?

Hon. Mr. Pope: We are trying to make money available to clear up outstanding problems.

Mr. Eakins: So there really is no percentage at all?

Hon. Mr. Pope: No.

Mr. Haggerty: You can always try Wintario.

Mr. Eakins: If it is his firm decision not to become involved, I hope the minister will not

just wash his hands of it at this stage and will give us his word that at least he is going to look into other avenues of support for these trails, because it is very important.

What about the trails on crown land? Is this just going to be left to the clubs to do with what they wish? Are you going to become involved in the grooming of trails on crown land or are you through with that too?

Hon. Mr. Pope: There are some facilities in our parks. There are some facilities at other clubs constructed at their own expense and maintained at their own expense. As I say, the picture varies in different parts of the province so I do not think it is fair to state that as a result of this decision that entire activity is going to fall flat on its face.

Mr. Eakins: It is going to make it very difficult for them to operate. Even now with the funding they have they are trying to increase our tourism potential, and tourism just does not mean the Ministry of Industry and Tourism. I think one of the closest associations to tourism has to be Natural Resources, whether we are talking about snowmobiling, the use of crown land, fish or wildlife. That is all tourism and it is also Natural Resources.

Recreational areas or provincial parks are very closely related. That is why I say that there has to be a very close working liaison between your ministry and the Ministry of Industry and Tourism. I guess the Ministry of Industry and Tourism simply puts it all together, but your ministry has to be deeply involved because you are the overseers of these areas that provide the people with the opportunities for hunting, fishing, camping, snowmobiling, skiing and that type of thing.

I think your decision is completely wrong without some decision to involve at least another ministry or Wintario or that type of thing. The Ministry of Culture and Recreation should be very much involved in this field too and no doubt it has been in some areas by helping out with certain portions of funding. I think it is an overall concern, but your ministry has to highlight and take a lead in at least finding an alternative to funding if your decision is definitely not to assist in the following year.

Other than that, I do not think I can say anything more about it. I think I have put the case for the snowmobile clubs because I am very much involved in the area I represent. Certainly the counties of Victoria and Haliburton are symbolic of the whole province. I am sure the members of all parties who are here today

will agree that it has opened up a new activity and brought millions of dollars to these areas. It is international; the international races are being held in Peterborough. The sport has created more activity for the sale of snowmobiles, for trailers, for the insurance people, for gasoline dealers and others.

12:10 p.m.

Hon. Mr. Pope: Maybe I should reply to those last statements. Having incorporated a snowmobile club myself as a service to a group in my community—

Mr. Eakins: You know how they feel then?

Hon. Mr. Pope: —knowing that these clubs throughout Ontario apply to Wintario for assistance in the acquisition of certain equipment and knowing that some clubs throughout Ontario are able to carry on and clear trails on their own, I think the situation will continue to be a good one.

I know the Sudbury club is planning a lot of major activities this year without government assistance. I think the means are available, both within government and outside of government, to obtain the moneys they feel are absolutely essential to acquire grooming equipment. With their commitment to the labour that is required to keep these trails in shape, I know the clubs are going to continue to offer recreational opportunities.

Mr. Eakins: You are saying that the clubs really do not need that funding? Is that your answer?

Hon. Mr. Pope: No, I have given you my answer.

Mr. Eakins: But you are really saying they can carry on without funding?

Hon. Mr. Pope: No, I have not said that at all.

Mr. Eakins: You implied that in your statement.

Hon. Mr. Pope: With respect, I did not.

Mr. Eakins: You admit then that they do require funding?

Hon. Mr. Pope: Yes.

Mr. Eakins: But you are not willing to assist?

Hon. Mr. Pope: Not in this program.

Mr. Eakins: I will pass.

Mr. Laughren: Thank you, Mr. Chairman, I will be brief. I must say it is the cuts to ski clubs that bother me. There is no energy consumption—at least nonrenewable energy consumption—it is a nonpolluting activity and it is excellent for the whole Participation program. The cuts to

the cross-country ski clubs bother me. I have a conflict of interest because my family cross-country skis—myself too.

I guess everyone has his own pets, but cross-country skiing is the one that bothers me the most. Mind you, I have been criticized for not being sympathetic enough to the snowmobile industry. I was told at one time I did not know what it was like to get on a Skidoo and go roaring off into the wilderness where I could enjoy complete silence. I am still trying to sort that one out.

Since this vote is on parks, I must say I am also a great fan of our provincial parks. I use them, I enjoy them very much and I think they tend to be first-class parks. There are some questions that bother me though about the parks. One is the whole question of access for the disabled.

I do not believe there is still a policy to allow disabled people and pensioners to have access to the parks without charge. I do not think it would be making too big a demand on the ministry to allow pensioners, whether disability pensioners or old age pensioners, to have access to our parks.

Secondly, I would be interested in knowing what the minister's thoughts are on provincial park rates, whether or not there are any anticipated increases there. Thirdly, what are the revenues of our parks compared to the cost of maintaining them? Do they generally make a surplus or do they absorb surpluses? I do not mean to put it in such Marxian terms, nevertheless I would be interested in knowing that.

I am worried about the abandonment of the park master planning. That is really sticking in my craw because there are still a lot of parks, I think about 100 parks, that do not have master plans and that is a problem. I stand corrected on the number, but I think there are around 100 parks without master plans. There are conflicts within a large number of parks. I can think of one near where I live, Killarney Park. I have no idea what the minister's plans are there.

I believe a consulting firm recommended against the construction of a road to that park. I would like to know what the minister's thoughts are on that. I know a couple of the local members there, Messrs. Martel and Lane, agree there should be a road through the park. I would like to know what the minister thinks of a road through a potential wilderness park.

How long are we going to let the fate of that

park hang in the air till we know what is going on? There has been a lot more heat than light generated over that park, I will tell you.

Do you know where Quimet Canyon is? Is that part of a provincial park?

Hon. Mr. Pope: Yes.

Mr. Laughren: Oh, good. I dropped in there a couple of years ago and I was scared out of my wits. That is up off Highway 17 near Thunder Bay. Is that right?

Hon. Mr. Pope: Yes.

Mr. Laughren: I was standing at the very edge looking over it. I was fearful for myself and my children. It really was a dangerous situation.

Hon. Mr. Pope: You just lost Mr. Hackman's support.

Mr. Laughren: Did I really?

Hon. Mr. Pope: Yes, I am sorry about that.

Mr. Haggerty: You cannot win them all.

Hon. Mr. Pope: You are not supposed to put up any protective barriers. You are not supposed to allow people to walk along the rocks of the Agawa to look at pictographs.

Mr. Laughren: I have never been at the Agawa. I would like to go there, but I have not been there yet. I wonder how safe it is there. I saw young children running around the top of the canyon and I was very nervous all the time I was there. It seems to me there is a compromise or a tradeoff there between the scenery and taking safety measures. I know how I would feel if I was in charge and someone fell over there. I would be concerned about that.

The master planning issue really is serious. The whole question of resource development in the parks could be dealt with through proper master planning. I am nervous about what the minister intends to do there. I read a memo within the ministry somewhere—God only knows where—which says they are talking about the terms of reference for the task force on policy for resource management in proposed park lands. Frank Wilson is the chairman and Andy Houser and Ted McCleary are members. I do not know those individuals.

In the memo they say: "This policy will provide general direction for MNR resource management programs collectively and will form the umbrella under which more specific resource management policy statements, e.g., forestry operations in proposed park lands will be developed as required." I do not know in what direction you are heading with resource development in our parks and that bothers me a great deal.

I also wonder about Quetico Park. Are you going to allow logging in Quetico Park? It is time that question was laid to rest. I do not know what your intentions are there. I would like to know.

Hon. Mr. Pope: So would the Atikokan council.

Mr. Laughren: Yes, as a matter of fact, the Atikokan council would.

Hon. Mr. Pope: Who wants it?

Mr. Laughren: I am not so sure of that. Are you certain of that?

Hon. Mr. Pope: Yes.

Mr. Laughren: You are certain that the Atikokan council wants logging in Quetico Park? That is news to me.

Hon. Mr. Pope: Is it?

Mr. Laughren: Yes.

Hon. Mr. Pope: Good.

Mr. Laughren: Did they actually pass a motion to that effect?

Hon. Mr. Pope: I have no idea.

Mr. Laughren: Does the chamber of commerce in that area want logging in Quetico Park?

Hon. Mr. Pope: I have no idea.

Mr. Laughren: Maybe we had both better check our sources because my information—

Hon. Mr. Pope: I do not have to check my source.

Mr. Laughren: I admit I do, because it was my understanding that both the council and the local chamber of commerce were opposed to logging in Quetico Park. I stand to be corrected.

Hon. Mr. Pope: All I can tell you is what I was told by someone who would know.

Mr. Laughren: The same here. I will check that out because that was my understanding. Anyway, it is the minister who makes the decision and not the Atikokan Chamber of Commerce or the Atikokan council.

Hon. Mr. Pope: Yes.

Mr. Laughren: I would encourage the minister to hang tough on that issue. As I said before, covering up mistakes of the past by allowing logging in areas that should not be logged is not going to solve our long-run problems. The amount of timber that will come out of parkland areas in the overall scheme of things is not significant. I would urge you not to allow that.

I wonder if the minister had sorted out his problems with the parks council. Mr. Priddle

left with his guns blazing. I wondered whether or not the minister has been able to offer assurances to the parks council that he is not going to abandon its causes. That is a good organization which can provide some good information for the minister and he should not see it go down the pipe.

12:20 p.m.

That is all I wanted to say on the parks. The only other thing was on fish and wildlife. Just to put it into the form of a question because we are running out of time, is there any truth to the story that the minister was going to change the moose hunting regulations to the effect that the only people who would be granted a moose licence next year would be hunters who could prove that the previous year they had bagged a moose hunter? Is there any truth to that story?

Hon. Mr. Pope: No.

Mr. Laughren: The minister did not say that. I am reassured.

Hon. Mr. Pope: I would like to deal with a couple of issues on parks. In the context of our planning exercises, a number of ministry groups are developing a number of interesting scenarios. The final decisions will be made within the ministry with myself, the people who have been doing the work and the branch directors. We have made no decisions on resources vis-a-vis parks. We are aware of the work the parks council has been doing with respect to Quetico and of the fact that they went up there and had some meetings on the future of Quetico Park, at my request.

We are aware of the concern of the public over what the future holds in resource extraction from the parks. Although it is upsetting to some people, it is normal when you are going through a planning exercise to look at all the options. People are speculating on what the decision is going to be, but I cannot help that. That is a normal product of the process we are going through.

Mr. Laughren: You can lay it to rest.

Hon. Mr. Pope: The only way to lay it to rest is when the strategic land-use planning principles come out. Then all of it will be available for people to examine and make their points of view known.

Mr. Laughren: You are selective with that document, are you not?

Hon. Mr. Pope: No, I am not selective with the document whatsoever. I have not even seen it yet. What we have been doing is putting out background information for people to look at.

According to our timetable, we will be putting out some documents next year which will indicate the principles of land-use planning and resource allocation on a regional and district basis. As I explained to you earlier in the estimates, we will be inviting public comment and asking people to examine the documents. A very important part of that whole exercise is parks, not only existing parks but new parks. As I say, after all of those comments are reflected upon, then we will try to make the best decision based on the information we have.

I have met the parks council on a couple of occasions. They were helpful to me on the retroactive amendment to the Iroquois Falls forest management agreement to take Long Point out of that forest management agreement and put it into park reserve for Lake Abitibi. They have been helpful to me, at my request, in going up and doing more work on the Quetico Park issues. They have been helpful to me in looking at some of the problems concerning recreational use of crown lands. There are a number of projects they have assisted me on.

I have to reiterate that our parks people are actively involved in this process. It is not just the mineral resources branch or the forest resources branch. The parks branch is doing a lot of detailed work for us, not only in Toronto but also in the districts. The district parks planners and the district recreation people are involved in this exercise.

There is no lessening of commitment to the new parks or existing parks. We have been working hard in our existing parks, contrary to what has been said recently in the press. We did have a six per cent increase in attendance in parks. Attendance is not going down; it is going up. We put a lot of money into them. We get only about a third of it back, by the way, in revenues. That is the proportion. We are looking at a possible increase in park fees for the coming season.

Mr. Laughren: You have not decided on that yet?

Hon. Mr. Pope: I am not sure if a final decision has been made yet.

Mr. Laughren: But in all likelihood it will be.

Hon. Mr. Pope: I think it has been, but I will check that and give it to you tonight.

I feel confident we are addressing the parks issues. I know there are some who read into some of the shifting of manpower into parks planning activities under strategic land-use planning a lessening of commitment to existing

parks. I do not think that is true. It is just that we need to get this land-use planning exercise wound up. There is a great need, from my point of view, to have park input into that process.

Mr. Laughren: There is more than one sign that causes disquiet.

Hon. Mr. Pope: Everyone wants to interpret memos a certain way. One of the problems with the strategic planning of existing parks is the way in which the strategic plans are evolved and the information contained in them released. I think that can be a little more succinctly put and therefore be perhaps a little less expensive. We do not need to spend 15 or 20 pages telling people about the history of the community when we could maybe do it in a page. There are ways in which we can get that activity running much more effectively.

I reiterate that we had hoped to have strategic land-use planning tied up by the end of 1982. We are committed to getting our parks people going on strategic planning for parks. We are not going to finish off that program and we are not going to forget about it. It is a commitment we made which we are going to follow through on.

As I indicated to the Sierra Club, and I assume you received that indication from Mr. Hackman, we would still like to be able to complete the strategic planning exercise for existing parks in 1983. We still would like to be able to do that. We are going to do the best we can. I told them we cannot guarantee that it is going to be done by then, but we are going to work as hard as we can to do it.

People can read what they want into memos. I do not know their background with other ministers; it is their business. All I can tell you is that we are carrying on with our parks planning activity and it is a very important part of what we are doing. Naturally, within our ministry we have conflicts because we have the forest resources branch and the mineral resources branch and even they conflict at times on certain issues. We have the parks branch, the outdoor recreation branch and the fish and wildlife branch. All of these have to have input into the process and we have to get the maximum number of people involved in it so we can get it wound up after 10 years. That is what we are trying to do.

Mr. Laughren: Could you answer the specific question I put to you about access by the disabled to the parks and the question about Ouimet Canyon?

Hon. Mr. Pope: We do not have any proposal to have disabled people admitted without charge to the parks. What we have been doing is putting in money into providing facilities for the disabled in the parks. We have been doing that in different regions throughout the province. I have seen a list; in fact, I think you asked me in the House about that, did you not, or put a question on the Order Paper? Someone did ask me about which parks had facilities for the disabled put into them and which were on their way this year. In quite a number of them, we have tried to improve on those facilities to make them accessible.

We also have been trying to do our best to resolve the conflicts amongst various interest groups to put some sort of safety facilities in parks. Again, some people take exception to those efforts.

Mr. Eakins: Are you building a fence for Mr. Laughren?

Hon. Mr. Pope: That is a good idea actually.

I do not know where that stands. I know there are a couple of projects in eastern Ontario on which we are planning to have some public meetings to see if our proposals provide for those kinds of facilities.

Mr. Laughren: There is money here for Ouimet Canyon specifically.

Hon. Mr. Pope: Yes. I referred to that in Sudbury last night.

Mr. Laughren: Did you?

Hon. Mr. Pope: I do not have my speech with me.

Mr. Laughren: It is a beautiful canyon.

Hon. Mr. Pope: Yes. I will try to find out about that. I assume we are going to be doing something in Agawa, Ouimet and a number of other areas in that region of the province in the coming year.

Mr. Laughren: What about the resource extraction in parks?

Hon. Mr. Pope: That is one of the options that has to be considered.

Mr. Laughren: When you make statements like that you worry me.

Mr. Eakins: You should arrange a tour so that the members could see some of these facilities.

Hon. Mr. Pope: I do not know if we could go to Ouimet Canyon for a while.

Mr. Barlow: Leave it until the summer when you get the fence built.

Mr. Chairman: Gentlemen, as it is just past 12:30, I would suggest we adjourn until eight this evening.

The committee recessed at 12:32 p.m.

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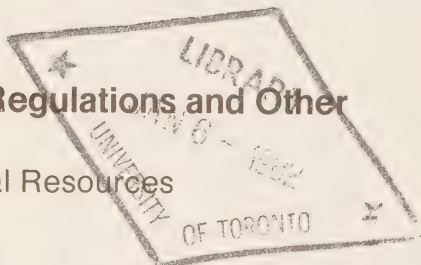


Legislature of Ontario Debates

Official Report (Hansard)

Standing Committee on Regulations and Other Statutory Instruments

Estimates, Ministry of Natural Resources



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First Session, Thirty-Second Parliament

Thursday, November 26, 1981

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Thursday, November 26, 1981

The committee resumed at 8:08 p.m. in committee room No. 1.

ESTIMATES, MINISTRY OF NATURAL RESOURCES (concluded)

On vote 2503, outdoor recreation program; item 1, recreational areas activity:

Mr. Chairman: I believe that Mr. Haggerty has the floor.

Hon. Mr. Pope: First, a couple of issues were raised which I can dispose of quickly. Mr. Stokes asked how many foresters were employed by the ministry and we indicated 288.

Mr. Wildman: How many does that work out per acre?

Hon. Mr. Pope: He asked how many were actually in the field doing forestry work. The answer is 210.

Mr. Haggerty: Let it be known that there are seven Liberals here in this meeting tonight.

Hon. Mr. Pope: There are eight. There is one sitting at the back of the room keeping his eye on you guys.

There were also some issues raised with respect to Goulais River.

Mr. Eakins: Yes.

Hon. Mr. Pope: A request was received from the Ministry of Natural Resources, northeastern regional office, to undertake flood plain mapping on the Goulais River for a total estimated cost of \$150,000. The request was reviewed by our internal steering committee on November 17, 1981, and we asked for further documentation from the northeastern regional office, including terms of reference and priority forms.

The additional information is to be submitted to our head office by January 8 of next year, at which time we will make a decision whether or not to undertake the project and if so, when to do it.

The 1979 flood was referred to. I believe 63 residences were affected by that flood.

Also, someone asked about provincial funding for flood control structures. Provincial expenditures for flood control structures—dams,

channels, dikes, et cetera—including capital operation and maintenance costs for the fiscal years 1980-81 and 1981-82 are as follows: 1980-81 actual, \$17,570,200; 1981-82 projected, \$14,200,230.

The Dunnville dam was discussed by one of the members of the Liberal caucus. The Grand River Conservation Authority investigated the condition of the dam and made certain recommendations. The town expressed its desire to have only the dam repaired and the authority has indicated support for reconstruction of the dam, provided other necessary flood control works, such as dikes, are incorporated in the project to provide flood damage reduction for Dunnville.

8:10 p.m.

Mr. Haggerty: Mr. Chairman, I have a point of order here. I do not want to be provocative, but I suggest that the procedure I see taking place this year on this particular committee is not acceptable to members of the opposition.

We have the minister giving answers to earlier questions which could have been answered at the time they were asked if ministry staff had been present. That is the purpose of having the staff here. The minister could carry this thing on for another half hour and be cutting into valuable time which is needed for other areas that require scrutiny by the committee.

Mr. McKessock: Do you have to pay them overtime for being here at night?

Mr. Haggerty: I do not think this practice should be accepted by members. The minister should have the staff here when questions are raised. If the minister cannot answer, the staff should be able to provide the answers immediately.

Hon. Mr. Pope: I disagree with you.

Mr. Haggerty: When your predecessor could not answer a committee member, the answer was sent to him by letter. It is time consuming and we have such a short period of time left.

Hon. Mr. Pope: I would have consumed the same amount of time answering the questions when they were asked.

Mr. Haggerty: No, because the answers were not there.

Hon. Mr. Pope: I am prepared to answer your questions. If you do not want to hear the answers, fine.

Mr. Haggerty: If you cannot answer them, it is up to your staff to come forward with the answers. That is what I am saying.

Mr. Eakins: We can enlarge on questions with the staff. I share my colleague's concern in that regard.

Hon. Mr. Pope: As long as the record shows I endeavoured to answer your questions.

Mr. Wildman: With respect, surely the minister understands the concern expressed and is prepared to provide the information by letter, or otherwise, so we will have time to deal in detail with what is probably the most important vote in the whole ministry estimates, the last but one. I am sure he would agree that mineral and forest management is probably the most important function of his ministry.

Mr. Eakins: They are all very important.

Mr. Wildman: They are all important, but that—

Hon. Mr. Pope: We have had lots of debate on those in interjections during my original statement and in the interjections and discussions which have taken place during my replies.

Mr. Chairman: Mr. Haggerty, the point is well taken. The minister, in all fairness to him, was trying to reply to some questions that have been raised here. However, I agree that the time is passing quickly and we have only until about 10 p.m. this evening, roughly an hour and three quarters, to cover the last two and a half votes. Perhaps some of the previous questions that were raised could be answered by letter so we could proceed with vote 2503.

I have several names down for item 1. I will limit the speakers and the questions to the people who have already indicated or expressed an interest in asking questions on item 1. Then we will move on to item 2.

Mr. Haggerty: My comments will be more in the nature of trying to help the minister and the government to keep the promise to which they referred in the last provincial election. I want to remind them tonight of the promise that was made by the Davis government and by the Robarts government that a provincial park site would be chosen on the shores of Lake Erie in the riding of Erie.

This has been a hot issue in my area. If anyone

present were to go to that area and try to visit the beach or enter Lake Erie, you would be prevented by fences erected by Americans. The only public access is a six-foot road allowance which has to accommodate as many as 1,000 cars a day. But when you reach the lake and look in either direction, you will see perhaps one or two persons occupying those miles and miles of shoreline.

It is a continuing problem. Last year and this, court action has been taken because owners with land which abuts the shore, even though they do not own lakefront property, are putting up every kind of barrier they can think of to keep the public off. In the past the minister and the deputy minister asked that if lakefront land should ever become available to bring it to their attention, that they would even go for mini-parks. That was a stated policy.

Over the years I have suggested sites to them, one site in particular more than once. If they had jumped at it in 1970, they could have picked up 70 acres for \$180,000. The land in question is Thunder Bay Beach Park and Golf Course, which includes a golf course and recreation site on the shores of Lake Erie, and it is up for sale now.

The present owners purchased it from Americans who had planned to subdivide it and build condominiums or some other type of construction. A Canadian group bought it from them, but is now running into difficulties. They do not want to develop the property, but they may be forced to go that route. If they do, this will be the last time the province will have an opportunity to buy that lakefront property.

I do not have to tell you the number of cars that flock to the Canadian shore from the state of New York and other parts of the United States each year, especially last year, owing to our cheap gas at that time, and how Ontario benefits from that tourist traffic.

The last time I brought this to the attention of the minister he wrote me, on June 29, 1981, that the park site should be in public ownership. But no one will buy it. I feel this government owes it to the people of Ontario and to the residents of that area to provide some public beach area. There is not much recreation land available there even to the residents of Fort Erie. You will also recall that I have given you a brochure on Sherkston Beaches, which is a beautiful site that is now used more for family camping purposes than for day use.

What really bothers me most in the minister's letter to which I referred is a paragraph which

says: "My staff have also confirmed that the Niagara Parks Commission turned down the opportunity to acquire this property some years ago. The property is located well away from the Niagara River and therefore not within the jurisdiction of the commission."

Mr. Minister, that information is not correct. The Niagara Parks Commission has property on Lake Ontario, called the Charles Daley Park, which is about four miles east of St. Catharines. They also have park development at the historical site at Stoney Creek, which is almost at the edge of the city of Hamilton. The site I am talking about, the land which is for sale now, is not more than 10 miles from Old Fort Erie, which is owned and operated by the Niagara Parks Commission.

8:20 p.m.

The minister has suggested that there is funding available through the Parks Assistance Act to assist the town of Fort Erie to buy the site. But this is perhaps the one remaining site open to purchase by the government. It provides an excellent greenbelt between Buffalo and the town of Fort Erie which includes Crystal Beach and Ridgeway. This land should not be used for high-rise development. It is your last chance to keep that promise to obtain that site for a provincial park.

I have even suggested to the minister and to the governor of northern Ontario, Leo Bernier, that to show I am serious I would probably agree not to run in the next provincial election if the government purchases this land. That is how dedicated I am to seeing a provincial park there. Where can they get a better offer than that?

In the last election, the Premier (Mr. Davis) came in with \$1 million and offered it to Fleet Industries; for what, I do not know, but it was supposed to create 400 new jobs. Today they are laying off people and reducing their staff. If you have that much money to spend in that area, put it to some use the residents and visitors can take advantage of.

I have said repeatedly that this is your last chance, but your response over the years has not been good enough. You made a promise; keep that promise now, get in there and do something.

Mr. Chairman: Mr. Minister, do you have any comments on that?

Hon. Mr. Pope: No. The honourable member indicated previously he would be making those comments. As he correctly reflects, we sug-

gested in our letter a proposition with respect to assistance under the Parks Assistance Act. I have nothing to add to that.

Mr. Haggerty: Mr. Minister, you have had additional funds there. You have had money there for park acquisition and you have spent it some place else. Some \$20 million has been set aside for park acquisition over the last 10 or 15 years and I do not know if all that has been spent or not. It has never been documented in committee here that that money had been spent. It may have been moved from one section or department to another, but I do not think you have actually spent that \$20 million for provincial parks.

Mr. Chairman: We should proceed to Mr. Boudria's question. We are rapidly running out of time to deal with the important votes.

Mr. Boudria: Thank you very much, Mr. Chairman. I will try not to take too long, although I have been waiting a long time for this particular vote to speak about Carillon Provincial Park, which we hear is one of the best-used parks in the province. The minister said so this morning. There are some situations there that I would like to address.

First, there will be a federal-provincial study to determine the feasibility of having a marina at Carillon park. Is your ministry involved with that study, or only the Eastern Ontario Development Corporation and the federal government?

Hon. Mr. Pope: Some of our personnel are involved in supplying information.

Mr. Boudria: Do you know the type of marina that is being looked at, or is it too soon to get into this?

Hon. Mr. Pope: It is too early yet to tell.

Mr. Boudria: Last spring there was a ban on liquor at the campsites in some of the parks in order to remove specific problems. We are having some other problems at the Carillon park that relate to the day-use area, where, of course, we are not allowed to have liquor.

That is a rather difficult situation because of the composition of the people who use it. Mostly the people are either from my area or from Quebec and there is a sort of tradition that wine, especially, is consumed at meals and even on a picnic. So it is very difficult to enforce that restriction.

I think the law that prevents you from allowing the use of any kind of alcoholic beverages in the day-use area parks is not one

controlled by your ministry, but rather by the Ministry of Consumer and Commercial relations. Am I right?

Hon. Mr. Pope: Yes.

Mr. Boudria: Has there ever been any attempt to have that legislation changed, or do you think that would cause more problems than it would solve?

Hon. Mr. Pope: The unfortunate part is I do not think it would cause too many problems in your park—I have spent some time at Carillon—but I think it does have the potential for causing trouble in a lot of park areas, particularly where there is heavy use. So I do not see any change forthcoming, although I admit it is a problem for the people who go there.

Mr. Boudria: Three more questions: There is an island just east of the city of Ottawa, in the western part of my riding, called Petrie Island. It is the only natural sand island at any place on the Ottawa River. It is privately owned at the present time and there is a dredging operation working out of there. They take sand and sell it for commercial purposes. The township of Cumberland has attempted to get the National Capital Commission interested in buying it for a park. If it was a park, it would be widely used by the city of Ottawa, as it is only eight miles from the city limits. Has your ministry ever been approached to do that, or could we interest your ministry in something like that?

Hon. Mr. Pope: I would suspect that the district manager in that area is probably aware of the interest. I do not recall being directly approached about it by any individuals from Prescott-Russell.

Mr. Boudria: Just to clarify it, Mr. Chairman, although my constituency is Prescott-Russell, part of my riding is not in the counties of Prescott and Russell. That is the township of Cumberland which is really in the regional municipality of Ottawa-Carleton. Sorry.

Hon. Mr. Pope: All I can say is I would assume the district manager is aware of the desire in Cumberland township to have that kind of facility available and I will have to check it out with him to see what his feelings are on it.

Mr. Boudria: Would it assist to re-emphasize those wishes with your ministry?

Hon. Mr. Pope: Sure.

Mr. Boudria: Thank you.

On campgrounds in general, Mr. Chairman: This summer I had occasion to travel through-

out a good part of Ontario. I travelled out west camping and I just want to say that all the campgrounds I saw were beautiful, they really were. Compared to what other provincial jurisdictions are offering, we are miles ahead and I wanted the minister to know that. They were very well kept everywhere I went.

It was really something to be proud of and I just thought that you may want to relay that information to people in your ministry. They obviously would know about it already because they, too, must have seen parks in other parts of Canada. I just think they are indeed beautiful.

One thing I saw in campgrounds out west that we do not see much of around here was this business of self-registration. I sent you some documentation I had picked up because I thought it was a rather interesting concept.

In some of the smaller parks, you pick up a form when entering the park, fill it in and return it within a half hour along with \$3. If you do not do it and the person who watches the park and who comes by once or twice a day sees you have not registered, you then have to pay an extra \$5, which is a method of motivating people to actually pay for their camping.

8:30 p.m.

I understand you have a form of self-registration that works during the off-peak season but has this ever been contemplated for some of the smaller parks during all of the summer?

Hon. Mr. Pope: I do not know if we could apply it to the weekends when there is heavy use; we have been looking at expanding it but we really have not made any final decision yet. We are trying to monitor the performance during the off season and we thank you for those documents you forwarded to us.

Mr. Boudria: Another topic relates somewhat to another vote, Mr. Chairman, but I have to relate it to this in a way. I will be very brief.

It is about Larose forest which is not, of course, a recreational area as of yet. There has been a lot of interest by le Comité de développement de Prescott-Russell to have parts of that used more by local tourists and to attract people to visit this very unusual feature, which is probably the largest artificial plantation, as opposed to one that was cut down and reforested, in this country. As a matter of fact, I was told it is the second largest one in the world. Has your ministry ever studied the possibility of allowing more access by the public to that very unusual and interesting feature which the Larose forest has?

Hon. Mr. Pope: I was at the Larose forest this summer very briefly and spent some time there meeting some of the staff of the ministry. There are a few facilities there that covered picnic areas and this kind of thing but the way I see it, there is an opportunity to expand those facilities. I think you are right.

Mr. Boudria: Our community would certainly welcome that because we feel it is a potential tourist attraction and we would like everyone to see it. It would bring good dollars into our local area as it is near Highway 417 which carries millions of people a year from Ottawa to Montreal and none of them seem to stop in my riding. I think this is a way to really help out the local economy with this.

Those are all of my remarks on this vote, Mr. Chairman. Thank you very much.

Mr. Wildman: I would just like to ask a couple of short questions on this vote because I hope we can get on to the next one. First, can the minister tell me if my information is accurate in that the decision on whether or not to go to a lottery system for the moose hunt for next year will be made by the ministry by the end of this month?

Interjection.

Mr. Wildman: Sorry, are we doing all of these items together?

Mr. Chairman: No, we are not.

Mr. Wildman: In that case, I will wait until the next item.

Mr. McKessock: Mr. Minister, on Monday night I was talking to you about the problems in the Beaver Valley-Kimberley area with the Thomsen property pertaining to the recreation there and the problems that have been created as the ministry has not bought that property. By the way, have you had any chance since Monday to buy that property?

Hon. Mr. Pope: No.

Mr. McKessock: Bud's Place—

Mr. Chairman: Are we going to go through Bud's Place again?

Mr. McKessock: There was one point I did not bring up about Bud's Place at the time. I did mention it briefly to you afterwards.

Mr. Wildman: For the record I want to clarify that I have nothing to do with this.

Mr. McKessock: Bud's Place cross-country skiing establishment, as you are aware, needs that property. But anyway, we discussed that the other night and you said you were going to

look into the purchase of that property. The other problem that Bud's place has is the competition from the Wasaga park. As you know, he has to charge \$4 a day to make a living, whereas—

Interjections.

Hon. Mr. Pope: This is not Bud's Place, this is Mrs. Thomsen's place that we are all so worried about.

Mr. McKessock: No, it is Bud's Place we are worried about right now, because the Minister of Natural Resources has—

Interjections.

Mr. McKessock: That is not a problem, but if Natural Resources would step in and help them, they could get together. The present problem is that Natural Resources has a free cross-country skiing park at Wasaga Beach—

Mr. Wildman: Are you against free cross-country ski trails?

Mr. McKessock: This has nothing to do with that. You are on the wrong boat.

Mr. Laughren: How else can it be free?

Interjections.

Mr. Chairman: Mr. Piché, is that a threat or a promise?

Mr. McKessock: We are not talking about anything but free cross-country skiing and the competition that Natural Resources is having with commercial enterprises.

Interjections.

Mr. Chairman: Gentlemen, I think we better proceed with this item or we will be here—

Mr. McKessock: Mr. Minister, what are your views on that? Is it your intention to compete with commercial establishments, because you are going to put them out of business?

Hon. Mr. Pope: We try not to. It depends on the timing of the construction of facilities and whether or not Bud is meeting the demand of the area.

Mr. Wildman: I see your plan. You are going to put him out of business and then buy it cheap.

Mr. McKessock: Well, he is going to get a chance to buy it cheap very shortly if something is not done to correct the situation.

Hon. Mr. Pope: We try to provide different types of recreational opportunities through the use of Natural Resources' recreation areas. We do not like to go into competition with others if

they are providing the same service directly. You are indicating that we do and that is why I said I would look at it.

Mr. Laughren: The Liberals said there should be a separate ministry for that.

Mr. McKessock: How soon can I have a response from you on this area because he is very concerned, with the snow coming tonight?

Mr. Chairman: I do not think the answer can be that soon.

Mr. McKessock: But I am serious, how soon can that be looked into?

Hon. Mr. Pope: I will try to get back to you at the end of next week.

Mr. Chairman: Mr. McKessock was the last speaker I originally had down for this particular item. However, I have noted that Mr. McGuigan and Mr. Reid would both like to ask short, direct questions.

Mr. T. P. Reid: I did not say that.

Mr. McGuigan: Rondeau Provincial Park, which I believe is the oldest park in the system, is in my riding and a decision was made back in 1955 to phase out cottage ownership in Rondeau Park, as I believe there was at Algonquin Park, to make the beaches area more available for local residents.

I do not have much of a quarrel with that decision made in 1955. I think the deal was that they would allow people to live out their 22-year term of agreement, or renew at a much higher rate. But also, in the early years of that program, people would buy their cottage. There was money available and they bought a lot of these cottages.

Now there is no money available and most of the people who did not exit in the original surge of people who went out of there have decided not to go for the second lease. The result of all this is that we have a community of ageing people; the children do not take any interest in the place because they realize that in another four or five years their parents or grandparents will be—

Mr. Haggerty: Sounds like another Toronto Island.

Mr. McGuigan: It really is like the Toronto Island. They will be losing it. Another result, of course, is that they are not painting or caring for their cottages. It looks like a pretty rundown, decaying community.

As I say, I did not quarrel with the original decision because, at that time, it appeared that

there was a big demand for the beaches area. I wonder if the whole thing does not need reviewing.

In the meantime, a lot of camps have opened; the whole character of recreation has changed. People take their camper or their mobile unit to these places. They go for the weekend and so on. I just noticed it says they have 24-hour security; that is one of the things they enjoy about those places.

8:40 p.m.

I wonder if the need is there today as it was in 1955. A great many people in the area have pools in their backyards. A lot of facilities have opened, such as the Wheels Motor Inn in Chatham, which is a very extensive, integrated facility for all sorts of recreation.

I think about half the residents in the cottage area are US residents, so it does not really matter as far as our constituency is concerned, but what does matter is the way we treat these people. It matters a great deal to nearby towns, the town of Blenheim and the town of Ridgeway, which at one time derived a very brisk business from those cottagers, but very little of it is there now.

What I would ask is if you would have someone take a look at it and review it to see if the need for all that beach area is still there.

Hon. Mr. Pope: I met with some of the Rondeau Park home owners late in the summer or in early September, I am not sure—

Mr. McGuigan: Yes.

Hon. Mr. Pope: —at some time anyway, and indicated that while the basic policy of obtaining possession of that land had not changed I was prepared to have a look at some of our arrangements and see if, if there was going to be a transition, it could be a gentler one.

We have been working on it during the fall. There is a rather wide variety of legal relationships in there with the government and a lot of things to consider—their respective ages, as you have correctly pointed out. I am trying to look at alternatives to be pursued with them to make it a little easier for them to continue to occupy those homes as long as is feasible.

Mr. McGuigan: One suggestion I had—and I do not know whether it makes things easier; it is kind of the big bang theory—since the thing phases out in 1996, all except five who go to the year 2000, I was wondering if all of the people could not be allowed to stay until 1996. This gives them 44 years' notice, because it was first announced in 1955, so they cannot complain and say they did not have notice.

If all of the people are allowed to stay there until 1996, if the need is still there in 1996 for the original intention, then the whole community moves out at once or within a year or two, rather than have this present system. It is pretty sad when you go down there and see just old people; the cottages are not painted, they are getting into disrepair, it is really a sad looking affair.

That is not easing them out. The present system of easing them out is probably the easiest way to go about it from the ministry's standpoint, but from the human standpoint is a pretty miserable setup. I just ask you to review that.

I have another concern, something like that of my colleague, about commercial enterprises. There was a lady and her son who established a school for sailing those—I don't know what you call those boats you stand on. What do you call those things?

Interjection: Surf sailers.

Mr. McGuigan: They established this school just outside the park gates and were giving lessons. They were surprised to learn, without any notice, that someone else had been given a sort of a franchise to operate within the park. I think you made a concession to them that they had to give notice that there was another company outside the park, but these people had no chance to even bid on the same opportunity.

I do not complain that you settled on one, but I think the other people should have had the opportunity to have bid on the business. How will that be carried on another year from now?

Hon. Mr. Pope: We have had some correspondence on this matter. We did make a mistake. We should have advised them. We should have involved them. When the next contract is being contemplated we will certainly involve them in the process.

Mr. T. P. Reid: Under this vote, salaries and wages, \$18,779,000: who are those people? What are they being paid to do? How many of them are there?

I know this will be a shock, but I always like to ask at least one question relating to the estimates.

Mr. Chairman: That is very thoughtful of you.

Mr. Brandt: I suppose now you are expecting an answer.

Mr. T. P. Reid: In 15 years I have never had an answer.

Mr. Barlow: That is a very good question. What is the next question?

Mr. T. P. Reid: Even when the information was there, I never got an answer.

Hon. Mr. Pope: Maybe I should put this on the record now; I did not want to, but I think your critic knows the reason why Mr. Foster is not here.

Mr. T. P. Reid: Perhaps you could inform me at some time just what the money is being spent on. The reason I asked the question, among others, was I presume that some of that is for what we used to call game wardens; they are now called conservation officers.

I am really here—the minister is probably well ahead of me—to talk about the crown land policy and the fact that by policy of the Ministry of Natural Resources he still allows nonresidents, whether from the United States or other provinces, to camp on crown land for up to three weeks. I could speak until 10:30 and I know everyone would like to hear me but it has been on the record ad nauseam.

The minister's predecessor, as he knows, promised me an answer last spring as to what the ministry was going to do about allowing people to camp on crown land for up to three weeks, in terms of changing that policy and doing what other jurisdictions do and say: "We are in the business of providing outdoor recreation at a reasonable cost primarily to our own citizens who pay taxes for that. All others are guests in our province and they are going to pay and we are going to do something about the tourist business in Ontario."

The minister indicated to me in the House some time ago, last March or April, that he was prepared to live up to the commitments of his predecessor. I have written him letters and have had discussions with him and I wonder if he is now prepared to say what the ministry is to do in protecting the crown land in Ontario for the benefit of the people of Ontario, and at the same time come out with a policy that by controlling the use of crown land by nonresidents, increases the efficacy and efficiency of the conservation officers to protect our forests and wildlife and land.

Regardless of the sort of nonanswer he gave to my colleague, I know the minister is a big booster of the tourist industry, particularly in northern Ontario but even in southern Ontario. What are you going to do about a new crown land policy?

Hon. Mr. Pope: We have been looking at a couple of options, including some pilot projects. We have not come to any conclusion yet.

We have discussed the matter both internally in the ministry and also outside the ministry with

some jurisdictions we think might be affected in their relationships. It creates a lot of problems both ways.

The continuation of the system as it now is creates some problems in your area in particular, but also in some other areas in northwestern Ontario. Implementation of a fee or other restrictions on nonresidents has the potential for creating problems for some of our fellow residents of Ontario in other places. We are trying to work out a reasonable policy that is going to satisfy both problems.

8:50 p.m.

Mr. T. P. Reid: With respect, Mr. Minister, I have raised this with three of your predecessors—

Mr. Laughren: Why do you have to keep changing ministers?

Mr. T. P. Reid: Yes—and the problem still remains that Ontario is one of the few places left where there is a free lunch. We are allowing people to come in, bringing their motor homes, their camper trailers, their tents, whatever.

In my area—and I am sure it is not that much different in yours—the Americans in particular know where the bloody forestry roads are going before the local residents do. You can go down almost any of those roads and find 15 or 20 Americans parked, fishing, hunting, paying at the most for a fishing or hunting licence.

With all respect, I think your intentions are fine, but you have screwed up the forest land of Ontario in allowing the pulp and paper and timber companies to—

Mr. Piché: This is getting out of line completely. Are we supposed to listen to this?

Mr. McGuigan: We thought you were leaving.

Interjections.

Mr. Piché: I think this is terrible, coming from the honourable member.

Mr. T. P. Reid: They are going to get into your area, René, because they have fished and hunted out every other area in the north.

Mr. Piché: Either you want the tourist dollar or you do not want it. You have to make a decision.

Mr. T. P. Reid: That is right.

Mr. Piché: You cannot have it both ways.

Interjections.

Mr. T. P. Reid: Would you keep him under control, Mr. Chairman?

Mr. Chairman: We have about one hour and seven minutes just to cover two and a half votes.

Mr. T. P. Reid: I do not want to flog this to death, but really, Mr. Minister, I have a resolution on the Order Paper that says simply that nonresidents be required to stay at an established tourist facility, and you can define that however you want. But by God and my God, how long are we going to allow this to go on?

You represent a riding that is dependent on the natural resources and yet you represent a ministry that has, over the last X number of years, been giving our resources away.

My friend talks about the tourist industry. The idea of tourism, no matter how you cut it, is to extract as many dollars from the tourist as possible. But when you, in conjunction with the federal government, allow them to bring their camper trailers over, their food, their booze, their gas, which I admit is a federal problem—

Interjections.

Mr. Laughren: Now we know why you want a separate ministry for tourism.

Mr. T. P. Reid: —but then you allow them to camp out at no cost and hunt and fish and it makes it impossible to police because they are spread all over the bush.

I realize nothing in this world is that simple, but my God, this seems to me to be about as simple a policy as you could come up with—by saying to them, “You have to.” You cannot go into any place in the United States because they have screwed up their public lands, what they have left, by allowing this very kind of devastation. We have an opportunity to protect this.

My friend Mr. Wildman asked a bit earlier, and you will get to this, about the moose. The moose is one of northern Ontario's biggest tourism resources, yet not 10 per cent of the hunters stay at licensed tourist camps because they can come and park anywhere on crown land and hunt. They pay \$175 for a licence, but if they were forced to stay in a licensed tourist place we would at least quadruple the dollars we extract; they will still come. The pork-and-beaners, as I have said ad nauseam before, will stay home; they will not pay the price, but we will still have the moose and we will have a resource there for our residents and for those who are prepared to pay the price.

With respect, you have to get off your duff and do something about that. You get into government, you become a minister and the first thing that happens is you have all the civil servants telling you why you cannot do things.

Mr. Brandt: How would you know that?

Interjections.

Hon. Mr. Pope: The same party is now going to criticize me on the other side of the issue, so why don't you guys get your act together?

Mr. McKessock: No, if they were all here they would agree with us.

Mr. T. P. Reid: I do not know which party is going to criticize you for it. I would think everyone has to be equally concerned about this. I am disappointed that, given your commitment to me in the House, you have not come out with a policy on crown land.

I will tell you, if you let it go too much longer we will not have to worry about hearing these speeches in here, because there is going to be nothing left. As my colleague would say, "When can we expect something?" When are you going to come out with something?

Hon. Mr. Pope: I am working on it.

Mr. Haggerty: The minister should have a better answer than that.

Hon. Mr. Pope: Would you rather I did not?

Mr. Haggerty: Do you know what your staff is doing tonight? The same old line.

Hon. Mr. Pope: How many years have you been here?

Mr. T. P. Reid: Mr. Minister, I am in my fifteenth year here and I have heard the same thing. Quite frankly, what boggles my mind is that, with the exception of Jimmy Auld, most of the ministers have come from northern Ontario and no one has ever said, "Reid, you do not know what you are talking about," or, "It is not a problem," or, "It is not a concern." You have not said that. Yet for 15 years the ministry has allowed this to go on.

You say you are working on it. I suppose you can keep on working on it up to the point where we do not have to worry about it any more because there will be nothing left.

I tell you, and I say this very sincerely, you and your predecessors are going to have to accept the responsibility for the fact that nothing is left. I can also tell you—and I am probably not telling you anything you do not know—the people of northern Ontario are pretty God-damned well fed up with seeing their resources used up.

Mr. Haggerty: They will have fences stretched from Fort Erie to Fort Frances and up into Kenora and every place.

Mr. T. P. Reid: Or they will be slashing tires.

Mr. Chairman: Gentlemen, I really think that we should bring item 1 to a vote. We are getting into a monologue as opposed to a question. You

have posed two questions. The minister has answered them to the best of his ability.

Mr. T. P. Reid: If I want to, Mr. Chairman, with respect, as long as I am on the vote I can talk as long as I want.

Mr. Chairman: With respect to you, Mr. Reid, we made a ruling before you entered the premises this evening—we all agreed; I did not hear one vote of dissension—that we would cut off the vote at item 1 after Mr. McKessock asked his question.

With all due regard to Mr. McGuigan and you, when you entered the room you said to me: "May I ask a question? I will make it brief, I will make it short." You have been talking now for 15 minutes.

Mr. T. P. Reid: I did not say that, Mr. Chairman.

Mr. Chairman: You said, "I will be brief." Those are your exact words, Mr. Reid.

Mr. T. P. Reid: Well, that is brief for me.

Mr. Chairman: Your interpretation of brief is different to mine. With all due respect to the other committee members, we must move on.

Mr. T. P. Reid: Mr. Chairman, I would really like to ask one question. Can the minister really tell us when we can expect a definitive statement on crown land policy, other than the fact that you are working on it?

Hon. Mr. Pope: No.

Mr. Laughren: You have to stop asking these yes or no questions.

Mr. T. P. Reid: They must have cabinet meetings where they all sit around and chant, "No, no, no."

Interjections.

Mr. Haggerty: Let us reduce the minister's salary to \$1.

Hon. Mr. Pope: Go ahead, that is your right, Ray.

Mr. T. P. Reid: Well, that is disappointing, but I have been disappointed before.

Mr. Chairman: Shall item 1 carry?

Item 1 agreed to.

On item 2, fish and wildlife:

Mr. Chairman: I now have six questioners listed for item 2. I would suggest that we limit it to that.

Mr. Eakins: Mr. Chairman, I will try to be brief. I know there are many speakers and many things to talk about.

I wanted to ask you in regard to fish and

wildlife, Mr. Minister, what is wrong with the fisheries in Ontario? Every time I pick up the paper I see a headline similar to this: "Anglers Fed Up With The Ministry." I read in the brief submitted to you on June 19 by the Ontario Federation of Anglers and Hunters—I think they have zeroed in on the problem—and I quote: "Sportsmen are dissatisfied and we are confident that they will soon become quite dissident. Their vocal displeasure will be directly pointed at insufficient funding, insufficient stocking and the delay in the full SPOF implementation. Only the promise of SPOF has kept their unrest to a gentle rumble to date. The rumble may soon turn to a mighty roar."

Would you enlarge on some of these problems and what your ministry is doing to overcome them? I just want to say that a few years ago when I chaired a task force on tourism across the province, one of the major concerns of many of the people in the tourist industry, in the lodges dealing with fishing, whether it was in northern or southern Ontario, was the problem of stocking and promoting sport fishing in Ontario.

Could you bring us up to date why there is so much discontent and what your ministry is doing to deal with this?

Hon. Mr. Pope: The critic for the Liberal Party read one headline and said that indicates widespread discontent and bad news.

9 p.m.

Mr. Eakins: Just a part. There is a complete brief there and I am not going to take the time to go through all of it.

Hon. Mr. Pope: I am just dealing with the headline you read out that said, "Anglers Fed Up With The Ministry." I know you would not bring in here to share with the rest of the members of the committee the good headlines we had in the papers in Toronto and in other parts of this province all summer with respect to the success of the catch in the Great Lakes and in other parts of the province—the pictures in the paper, the indications of increased catch by sports fishermen in every part of the Great Lakes.

Mr. Brandt: It was excellent in my area, Mr. Minister, I want to tell you that.

Hon. Mr. Pope: That is not necessarily just the province of Ontario; the American states have been heavily involved. But it has also been a commitment of this government.

I would not expect you to bring out headlines about the improvements we have made to the

Hills Lake hatchery in northeastern Ontario, which is going to be the best and most modern hatchery I think in the world; or about the improvements we are making to the Dorion hatchery in northwestern Ontario; or about the work we are doing on the Tarentorus hatchery. I would not expect you to say that.

Mr. McKessock: No more disease?

Hon. Mr. Pope: I would not expect you to talk about the stocking activities we have been engaged in over this past year. I think we have done a lot of work. We are continuing to work hard on it. I think the results are starting to show in the catch that sports fishermen are now enjoying.

A lot of the discontent of the Ontario Federation of Anglers and Hunters is with respect to a resident angler's licence and their expectations that the revenue from that licence would be directed back into fish stocking programs and the construction of fish hatcheries.

I will say again what I have said to them, what I have said to the Bluewater Anglers in Sarnia, what I have said to anglers' clubs all through southern Ontario with whom I have met this summer: there is no such thing as dedicated revenue funding in our system in Ontario. If the revenues are collected, they do not necessarily get back into the fishery program.

Even with that, we are endeavouring to do our best to keep up our commitment to construct these hatcheries, to improve them, to try and stock more and more fish in different parts of the province where we see the need, based on our best judgement.

We call upon these clubs for their help. We have indicated to them we are willing to have them get involved in stocking programs and in the construction of hatcheries and that we think together we can continue to make progress in the fishery industry.

Mr. Eakins: What about the implementation of a resident licence fee? What is your view on this?

This has been something that has been talked about for some time. I know our party and I am sure the New Democratic Party have supported this, providing the funding will go directly into improving the stocking and into fisheries.

Mr. Wildman: The minister has just said it does not work that way.

Hon. Mr. Pope: It does not work that way.

Mr. McKessock: Are you saying that every tax goes into the consolidated revenue fund?

Hon. Mr. Pope: It goes into consolidated revenue.

Mr. McKessock: Every tax?

Mr. Eakins: Then your reply to this is you are not willing to convince your cabinet colleagues that the equivalent amount of money shall go into this program.

Hon. Mr. Pope: Now you are talking about equivalents; that is a little different from talking about dedicated funding going directly back to a certain activity of government. Of course I have made arguments in front of my cabinet colleagues.

Mr. Eakins: I certainly would not want to support a resident licence fee just to sponsor some other program. I want to see an improvement in this program.

Hon. Mr. Pope: Then we agree. We have been working at improving the program, we have been working at getting more and more funding into it. I think a lot of the organizations in the province recognize that we have been working hard at it.

Mr. Wildman: Supplementary: How much more money is there for hatcheries and fish stocking this year?

Mr. T. P. Reid: Let the record show the minister is consulting with his staff.

Hon. Mr. Pope: Our estimate of the expenditures during this current year on some elements of the fishery program is about \$1.3 million. Since we originally became involved in the concept of strategic planning for Ontario fisheries, our expenditures have been in the neighbourhood of \$4 million.

Mr. Eakins: I just want to place on the record you mentioned that we were not very positive. If your deputy minister were here or some of your ministry people they would know I complimented the people in the Lindsay district for really doing something about improving the fisheries by bringing together the people in the area—this is probably a first—to talk about the problems. Many of the people involved as fishing guides and in lodges were very concerned about what is happening to fishing in the Kawartha lakes. Even your own ministry people will tell you there has been a problem there.

I want to pay tribute to your biologists, Phil Smith and Cheryl Lewis, for bringing the people in the area together and very sensibly talking about the program. At the end of that meeting the people in the tourist industry and chamber of commerce in Bobcaygeon agreed that although

there was going to be a loss of business they would delay the opening of the season for one week to allow a better opportunity for spawning. They also agreed that the season might be closed a little earlier in order to do something. The people in that area have shown that they are willing to do their part.

These are some of the things which I would like to encourage your ministry to get involved in; that is meeting with the people, sitting down and talking about the problem head on. You will find that people out in the field are willing to do that. The people in your district office at Lindsay are to be complimented for the approach they took. I thought they were just excellent salesmen. They walked into that meeting almost ready to be hung by all the tourist people and did an excellent job. It was one of the positive things.

But there has been a problem with the results of the fishing in the Kawartha lakes, your people have admitted that. As a result at least we are going to have an opportunity to see what can happen with that co-operation in the future. I hope it is positive.

Mr. McKessock: I just have a supplementary on that, as far as the fishing licence revenue goes. You say it goes into consolidated revenue, but if \$500,000 or \$1 million came in from the fishing licences you could probably talk your cabinet into giving you that much more.

Mr. Wildman: No, he is not that effective.

Mr. McKessock: If you could do that, would it not be a good thing to do? Why have you not done it up to this point? Do the polls show that the public do not want it? Why has it not been implemented?

Hon. Mr. Pope: What polls?

Mr. McKessock: The opinion polls.

Hon. Mr. Pope: What opinion polls?

Mr. Brandt: There is an assumption on the part of the opposition that we take a poll on every single element of government.

Mr. McKessock: That is not true.

Mr. Eakins: That is not true. You have missed out on two.

Mr. Brandt: Get that thought out of your mind.

Hon. Mr. Pope: What opinion polls?

Mr. McKessock: I just asked do the polls show—

Interjections.

Hon. Mr. Pope: No, you did not ask if we had taken the polls, you asked me "if the polls showed" and I am asking you what polls?

Mr. McKessock: All right. Have you taken opinion polls? If not, why have you not implemented a licence fee?

Mr. Brandt: Why would you take opinion polls?

Hon. Mr. Pope: We have been increasing our funding. We have been working at our fishery program. We have been trying to put more effort into it.

Mr. McKessock: I agree with that. But why have you not implemented a licence fee for fishing?

Mr. Eakins: They just do not want to.

Hon. Mr. Pope: I explained the consolidated revenue fund system.

Mr. McKessock: I realize that. But you could also talk your cabinet into allowing you this extra tax probably. Is that not feasible?

Hon. Mr. Pope: No. All I can reiterate is that it is the policy of the government that there is no dedicated funding out of revenues.

Mr. Eakins: I just have two questions. One has to do with a recent article which you are probably aware of, Mr. Minister, in Harrowsmith magazine, which details the lengths the ministry apparently has gone to prevent the licensing of a company known as Sockeye Salmon Farms from raising hybrid salmon in Ontario.

Could you enlarge on why it has been refused the licence to operate? Will the ministry consider an experimental licence to this person?

9:10 p.m.

Mr. Haggerty: Do you mean they are against the free enterprise system?

Mr. Eakins: Apparently he has been refused the licence. I am just wondering why the ministry continues to refuse him a licence and/or will they provide him with an experimental licence?

Hon. Mr. Pope: The only information I can give you is that as I understand it this gentleman was applying for some government financial assistance and the nature of the setup he was going to develop was such that we did not think it was an appropriate undertaking for us to get involved in by financially supporting him.

Mr. Eakins: Do you mean you are not against the experiment or the operation but it has to do with not approving of the funding? Is this correct?

Hon. Mr. Pope: That is one of the issues. Before I say I am not against a licence, the fact is we think it is important there be proper safeguards for the health of the fish and proper testing programs for both the eggs and the yearlings before they are used, otherwise we are going to create a lot of problems. We have already had problems with disease in some of the brown trout eggs. We have had to destroy them and we are facing a very difficult problem. We have to prevent diseased yearlings from being stocked.

Mr. Eakins: So you feel that your ministry could not even provide an experimental licence to get involved?

Hon. Mr. Pope: I am not saying yes or no. I am just saying that provided we were satisfied that certain controls were in there, that it was being done in a certain way and there would be some method undertaken for the testing for disease before the eggs or yearlings were used in some of these experiments, we would probably have no problems. That is the same position I took with the Bluewater Anglers and some other groups who have approached me on this subject.

Mr. Eakins: Right.

Hon. Mr. Pope: I have also indicated to them, by the way, that under the appropriate circumstances we are prepared to offer our technical expertise and scientific knowledge to help them resolve those kinds of problems.

Mr. Eakins: Has this been offered to him?

Hon. Mr. Pope: Yes. Not necessarily to that gentleman, but to different groups I have talked to.

Mr. Eakins: Right. There is just one other question. I know a person could spend all night on just one or two areas. I am very much interested in the wildlife, but I want to zero it down to one concern which is rather current.

Do you feel there could be better distribution of the doe licences in regard to the recent deer hunt? There is a feeling among many people that perhaps there could be better distribution, that some camps get a lot and some get none. Do you think there could be a better means of distribution?

I read an advertisement in one paper for someone with a doe licence to come and join a camp. It means that one camp is short so they are putting an ad in the paper for someone who

had drawn a licence to come to that particular camp. Do you see some better method of distribution?

Hon. Mr. Pope: I will admit that there have been these concerns.

Mr. Eakins: Heavy in one area and light in another?

Hon. Mr. Pope: We have been trying to make an analysis and we are continuing to analyse not only the deer hunt but also the moose hunt. We have had complaints from people on both sides of these issues from different parts of the province. We are trying to analyse that situation right now. We have indicated that during the next six weeks or so we will try to have a look at all of these problems and see if we have to make some changes.

Mr. Sheppard: Mr. Chairman, could I have a supplementary to that? Mr. Minister, an incident occurred in my riding this fall where there were three chaps who went deer hunting and they had two antler deer licences. They were brothers, and it so happened that on the Monday they shot a doe and they were both within shooting range. The guy who shot the doe did not have a licence.

On the Wednesday, they were stopped by the game warden who asked, "Did you fellows have any luck?" They said: "Oh, yes. We got an antlered doe."

The game warden asked, "Who shot it?" The guy said, "I did."

He said, "Where is your licence?" "Oh, my God," the man said, "It is my brother who has the licence."

The warden said, "I am going to have to fine you."

They went to court the next Tuesday; I do not know how he made out. But this, Mr. Minister, is what you should have a look at, because I question—

Mr. Wildman: I suggested a party licence last year but the ministry rejected it. Your own government rejected the party licence suggested by the anglers and hunters themselves.

Mr. Sheppard: I know. But I think the minister should have a look at it. That was just one incident and I would suggest that maybe you should just give one doe licence to each camp.

Mr. Brandt: You, who have such little faith.

Mr. Sheppard: That is all I am going to add, Mr. Chairman.

Mr. McKessock: I have a supplementary too, because this was one of my questions.

Mr. Minister, I was contacted by a retired farmer in Melancthon township and he was asked to sign an affidavit, before he was eligible to apply for a licence, stating that his main income was from farming. He had retired from the farm although he was still working for a farmer. But he had a mail route and had some investment income because he had sold his farm; but his major income was not from the farm, therefore he was not eligible for a deer licence. Yet someone he knew of, from Hamilton, came in and could get a licence ahead of him, and he had lived in the area all of his life.

He is saying that surely the deer licences could be extended to cover retired farmers who continue to live in the area before they are issued to someone like the man from Hamilton who came in and got a licence.

Mr. Eakins: It is computerized, is it not?

Hon. Mr. Pope: Yes. I do not understand how this situation arose. If you give me the names—

Mr. McKessock: You can check with the Midhurst office, because he did.

Hon. Mr. Pope: Why do you not just give me his name?

Mr. McKessock: His name is Aubrey Webster, Horning's Mills.

Mr. Haggerty: I have a supplementary in this area too.

It has been brought to my attention by a number of hunters in my area that when the ministry has this draw or sale on the issuing of the deer licences, for the doe and the buck, that consideration should be given for the decision to be made some time in the early part of the year.

Sometimes, when a person wants to go deer hunting he will say, "If I cannot get a doe licence I am not going to go deer hunting." He must wait until the last minute in September before the ministry makes up its mind and says: "Yes. We are going to have a deer hunt in this particular area. So many licences are going to be issued for does," and so on. It should be done earlier in the year so he will know what licence he can get and can time his holidays to go deer hunting in certain areas.

It is a pretty good point. Consideration should be given to some of these things being done in the early part of the year then people can schedule their hunting season accordingly. As it is now, they may go there but are not satisfied; they do not have a doe licence, so they spend the money but come back empty handed year after year. They are not too happy with the present system of licensing.

It was mentioned that perhaps there should be a party licence for does, or maybe so many doe licences could be issued to an area of a certain size for hunters in that area. But it should be broken up so some camps do not get all of them, which is what is happening. You have to bring some equity in the issuance of these licences if you are going to stick to the deer hunt.

Mr. Eakins: I just want to conclude on the same lines, as my last comment on this particular area, that I realize it is probably too early for the minister to have information in from all areas as to the distribution, but I would ask him that in regard to next year he try to devise a better, a fairer, or more rounded method to distribute the licences, whatever it may be. I do not know. It would certainly be worth finding out from those who participated this year where the concentration of licences was and then try to come up with as fair a distribution as possible of those licences.

Mr. Sheppard: Mr. Chairman, I would like to compliment the ministry on the licences for the hunting of does. I have run into a lot of people in the last six weeks who thought there were more does in the forest this year than there had been for years. They said that two or three years ago they were giving the minister the devil, but now they realize how important licensing is.

Mr. Eakins: That is because they did not get a licence.

Mr. Sheppard: No. The deer are getting plentiful throughout the forest.

Interjections.

Mr. Sheppard: I think it was a good move on the part of the Ministry of Natural Resources.

Mr. Chairman: Okay, gentlemen.
9:20 p.m.

Hon. Mr. Pope: The draw is in early July. Are you saying that the hunters want the draw before early July?

Mr. Haggerty: This is what I get in my area. They would like to have it earlier than that. Sometimes they take their holidays early and then decide instead to go deer hunting or moose hunting. They are suggesting that if they know ahead of time in February or March, they can schedule their holidays accordingly.

Hon. Mr. Pope: On the other side we had a lot of complaints this year that we did it too fast and a lot of guys did not get in on it.

Mr. Sheppard: They could blame it on the mail strike.

Hon. Mr. Pope: I know the point you are making.

Mr. Wildman: Mr. Chairman, I wanted to raise a couple of questions in regard to the moose hunt. But first, on deer, I will say that over the last few years a number of residents in my area felt the season should be cut off completely because the number of deer was dwindling. There were also many who were in favour of the buck law. The ministry was historically opposed to it. It took a lot of argument, a lot of pressure and finally, despite what happened in Michigan and Pennsylvania, the ministry has moved to that law. A lot of people were not satisfied with that although they were willing to go with the doe lottery.

In reaction to Mr. Sheppard's comment, I will say that I have met a number of hunters in the past who did not think it would work at all, but who are now saying that there appear to be more doe in the bush than there used to be. I would like to hear the reaction of the minister or his staff people as to what analysis they have done.

Does the buck law appear to be working in terms of the number of deer being increased? Can you also tell me how the doe lottery works to divide the numbers of chances for doe licences between the hunt camps and the permanent residents of the area?

Hon. Mr. Pope: The general reaction I have heard is that people on the staff do feel there has been some success with the system, as you have indicated. In the deer hunt, unlike the moose hunt, there are no special concessions, it is just a general draw.

Mr. Wildman: So are you telling me that a hunt camp owner just puts his name into the draw, or do the hunters themselves have to get the licences and then they go to the hunt camp?

Hon. Mr. Pope: Yes.

Mr. Wildman: Thank you. I understand you have a moose lottery in the Kapuskasing-Hearst area. In the past when it was first brought in there were separate lotteries for the camp owners and for the residents. There were a lot of objections raised to that and I understand there were some changes made. Can you tell me how that works?

Hon. Mr. Pope: Yes, there is a 10 per cent allocation to the tourist outfitters and they use that for their operations. Last night in Sudbury we indicated to the Northern Ontario Tourist Outfitters Association that we are prepared to have a system of self-allocation for that 10 per cent.

Mr. Wildman: In other words, they would divide them up themselves?

Hon. Mr. Pope: We would have an allocation board to allocate the 10 per cent, with members not necessarily all from NOTOA, but made up of the operators.

Mr. Wildman: Can you tell me why there is the difference between the deer hunt and the moose hunt? In the latter, 10 per cent is allocated to the tourist outfitters whereas in the deer hunt the hunters themselves have to put their names in and if they are lucky enough to get a doe licence then they can hunt doe whether it be from a camp or on their own. Why the difference?

Mr. Eckel: I will respond. With respect to deer hunting, it is dominated by individual hunters and the tourist operator is not as active in the deer hunt as he is in the moose hunt. Hence, we do not have the problem of allocating a percentage of the deer hunt to the tourist outfitters as we do with moose hunting. That is the explanation there.

Mr. Wildman: Mr. Chairman, I will not prolong this. Just two questions. First, I was informed by Mr. McCormack in October that he felt at that time, although he was not certain, that by the end of November the ministry would come to a decision on whether to move to a lottery for the moose across a wider area or perhaps the whole of northern Ontario.

Is that accurate, or has it changed? If it has changed, when do you expect to have a final decision?

Hon. Mr. Pope: I think we indicated that we were going to be doing a review in the year 1982 and that there would be no major changes. There will be some minor changes and exceptions in the 1982 regulations, but our full review will take place in 1982 and will be reflected in 1983.

Mr. Wildman: So there will be no lottery expansion for next year?

Hon. Mr. Pope: No.

Mr. Wildman: Okay. Finally, does the minister understand, from the passage of the constitutional package in the House in Ottawa, the words "existing aboriginal and treaty rights" to mean that treaty Indians can hunt for moose for their own use anywhere within their treaty area, whether or not it is in season?

Hon. Mr. Pope: With respect to what "existing aboriginal rights" means, my understanding is that the provincial governments and the federal government agreed to more precisely define those rights at a meeting of the provincial

governments, the federal government and the native peoples' organizations in this country in the coming year. Some of those decisions will no doubt be dealt with there.

In the meantime, we will be continuing with our policy of leniency as announced by Mr. Auld, I think it was in October of 1980. That is that we recognize the right of native people to hunt and fish for food on crown land.

Mr. Wildman: All right, I pass and I hope we can pass the vote soon.

Mr. Mancini: I have a very serious matter I would like to bring up before the committee. This is a matter I have been able to bring to the minister's attention in private conversations in the Legislature after the session resumed in October. I think it is very important that this issue be discussed in the committee and that I get the matter on the record and see if we can get the minister and his ministry to take some action to eliminate future problems between the Lake Erie fishing industry and the state of Ohio officials.

Mr. Minister, as you may be aware, last July 13 a fishing vessel operating under the name of Cliffside, owned by a Mr. John Figueira of Kingsville, was seized by Ohio officials for allegedly fishing on a commercial basis in Ohio waters. This seizure of the boat resulted in several things happening.

First, of course, it came out for public knowledge that the governor of Ohio, Governor James Rhodes, had announced early this past summer that he wanted to crack down on what he considered to be extensive illegal fishing in Ohio waters.

Second, it was brought out very clearly as this case proceeded that Canadian fishermen, once they are charged with crossing into Ohio waters and once their vessel is seized and once they are brought to the Ohio mainland, are virtually at the mercy of state officials in Ohio whom I believe to have a prejudice against the commercial fishing industry in Lake Erie, most of which is based in my riding.

As you may know, we have an extensive commercial fleet, both in the Kingsville and the Wheatley areas of the Essex South riding. Because of the fishing industry several processing plants have been established in the area and the fishing business is big business in that part of Essex county and is very important to my constituents.

9:30 p.m.

You may be aware, Mr. Minister, that not only was the boat seized, but it was put in dry dock from July 13 on. The trial did not take place until October 23, so the fishermen were without the use of a boat, although they had not been found guilty, until that time. They were without the means of making a living and the owner of the tug, who was not on the boat at the time it was seized, was tied up with legal proceedings and with bureaucratic proceedings in the state of Ohio.

Among the things that bothered me were some of the public statements made by the state officials in Ohio. I would like to quote a statement made by a Mr. Roy Biggs, who is a Lake Erie law enforcement supervisor for the Ohio department of natural resources. Mr. Biggs stated: "Stiff fines and penalties have not worked before. It is time we kept one and that is what we will shoot for tonight," meaning they had made up their minds in advance that the next tugboat they seized they were going to keep in Ohio at all costs, whether or not the people involved were proven innocent or guilty.

I find it quite extraordinary that in either Canada or the United States a person would have to pay doubly for a penalty if found guilty, meaning that if at the end of these long proceedings they were found guilty, the operators of this fishing tug would have paid the fine, but they would have paid again with the loss of livelihood and loss of income from a whole summer of fishing.

As it turned out, that is basically what happened. The legal fight resulted in the Leamington tug owner, Mr. John Figueira, paying \$5,000 for the release of his tug, the Cliffside, and in return for that, Mr. Minister, his eight-man crew did not contest the 32 illegal fishing charges against them.

Mr. Figueira describes his loss not only in terms of the \$5,000 fine, but says that the interim loss of his boat cost him \$180,000. I find that to be completely unjust.

It appears to me that the state officials in Ohio probably did not want to go through lengthy court proceedings and have a lot of costs charged to the state, so they kept the man's boat all summer and as they got into court they accepted the \$5,000 and then turned the fishing tug over to the people in the area. I find this a completely unacceptable practice. I would hope that other fishermen are not put in the same situation. If these people had been found totally innocent they would have still been punished, because the state officials would not return their

fishing vessel and their nets, et cetera, and what they needed to use in order to ensure their livelihood.

I would propose to you, Mr. Minister, that we set up a meeting with the governor of Ohio, Mr. Rhodes, since he is the gentleman who began this crackdown, and I would propose that we do it well before the spring fishing season, well before the lake thaws next spring; that you be kind enough to allow me to accompany you at such a meeting; and that we work out some kind of arrangement with the state of Ohio as to how they should and could and possibly would treat these fishermen who are charged with allegedly fishing in Ohio waters.

If they are found guilty, then by all means I think the courts in the state of Ohio should render whatever justice they see fit. But their justice is a double-edged sword. You are guilty twice if you are found guilty in court, by reason of them impounding your fishing boat. If you are not found guilty, well, you have already been rendered an unjust legal decision because you have not been able to work and make a livelihood.

I was wondering if it would be possible for you to set up such a high level meeting and if you would be kind enough to allow me to attend such a meeting with you, because I think it is very important that I, as the member for the area, be involved in this and be able to speak on behalf of my constituents? Maybe Mr. Rhodes does not know some of the problems he has caused.

As I am speaking here this evening, I do not in any way want to encourage any Canadian fisherman in the Essex South area or any place else along the Lake Erie basin to fish in Ohio waters. That is illegal. They are not supposed to do it and if they are charged and if they are found guilty, then the courts should deal with that. But we have a double-edged problem here as I have already said and I was wondering if we could make plans to take positive action on this matter.

Hon. Mr. Pope: There are a number of issues surrounding this controversy. The honourable member is right; he and I have discussed this on a couple of occasions.

Their policy with respect to seizure and then confiscation is, quite frankly, somewhat similar to our own. Earlier this summer we put an 18-walleye limit on Lake of the Woods and seized three American boats that were infringing our laws.

This whole issue with respect to seizures and

confiscations does create some difficulty. We like to think that seizures will only be made when they are absolutely necessary in terms of evidence and when that evidence is relevant to the charges and cannot be obtained by other than seizure. We like to think also that we would be carrying out this seizure on behalf of the government of Ontario where we intend to recommend confiscation by the courts.

There has been, as you accurately reflect, a seemingly ongoing problem between Ohio and Ontario with respect to our commercial fishermen and it seems to have boiled over into this incident. When the incident began we attempted to establish some sort of meeting with the state of Ohio conservation officials and fishery officials and the governor. We were unsuccessful in arriving at a mutually agreeable date. We do think it is important that we try and get together with these people, along with some of our officials, early in the new year.

When we set a date we will ask that you be allowed to attend, but that decision, quite frankly, may depend on the willingness of the state of Ohio officials to meet with you on this matter, as opposed to representatives of the ministry. We will try and pursue that over the next little while.

As I say, we have made contact with the officials concerned over there and we have been discussing this problem. I have a couple of ideas I would like to try out and as soon as we can get the meeting arranged, we will try to pursue it that way.

Mr. Mancini: Would you be involved in such a meeting, Mr. Minister?

Hon. Mr. Pope: I hope to be. I have asked to be.

Mr. Mancini: At least on the initial basis?

Hon. Mr. Pope: Yes.

9:40 p.m.

Mr. Sheppard: Mr. Minister, the Anglers and Hunters Association of the Ganaraska in the Port Hope area has asked me to approach you about lake trout fishing off the shores of Lake Ontario. Have you done anything about this?

Hon. Mr. Pope: Do you mean a stocking program in Lake Ontario in that vicinity?

Mr. Sheppard: Yes, stocking and fishing.

Hon. Mr. Pope: We have been doing some rehabilitation work on the Ganaraska River with respect to spawning beds. But your question was, are we going to do some stocking in the Port Hope area?

Mr. Sheppard: Have you investigated it? I realize that you have been approached, but how far have you gone with investigating the possibility of lake trout fishing off the shores of the Port Hope area?

Hon. Mr. Pope: We have been engaged in a stocking program in that part of Lake Ontario, and we have just recently seen signs of some success in regeneration with the trout returning to the spawning beds in that area. We hope that trend will increase over the next little while. We will continue to monitor it.

Mr. Sheppard: I understand that the fish hatchery in Codrington is one of the best in the province, but is small. Do you anticipate enlarging that fish hatchery? What does the future look like for it?

Hon. Mr. Pope: I am not aware of any plans to enlarge the hatchery. We hope to keep it going at its present state and will continue to use it.

Mr. Sheppard: I understand that you have been trying to hatch some brown trout. What kind of success have you had?

Hon. Mr. Pope: We had some problems with disease in the trout eggs that we had imported from the United States. Because of that, we had to destroy a number of them. We are rather disappointed about that, but we hope to keep working at it and to be successful.

Mr. Sheppard: Just because you have had a bit of tough luck there, I hope you will not close it down.

Hon. Mr. Pope: No.

Mr. Boudria: We have a situation on the Ottawa River that has to do with the limits on what is commonly known as a tip-up, which is a mechanism for fishing through the ice. I wrote you a letter on the subject and attached a copy of a petition signed by approximately 1,000 people from my riding, asking you to change some of the policies your ministry has towards ice fishing.

The problem is that the boundary between Ontario and Quebec is in the middle of the river, and the laws governing the number of fish one can catch are different on both sides. Since fish are not too aware of provincial boundaries, they cross the border every now and then and create a situation where two fishermen may be standing side by side, and the one with a Quebec licence is allowed five or six tip-ups—I forget exactly how many—while the other, who happens to have an Ontario licence, is limited to two.

My predecessor wrote to your predecessor about this matter, but failed to get a commitment from your ministry that there was a problem, let alone an attempt at solving it. The residents of my area are adamant that this law almost borders on the ridiculous. The only kind of fish they can get in the winter are walleye, pike and perch. There is already a limit on the amount of walleye and pike they can catch, but there is no limit on perch.

If there is no limit on perch, why is there a limit on the number of lines they can use to catch the fish? There is no such limit for the fisherman from Quebec who may be standing beside him. If stocking the river is a problem—you state in your letter you are not sure, that you are afraid you are going to deplete the supply of fish in the river—would it not be more in order to attempt to get some co-ordination between yourself and your Quebec counterpart to have similar legislation on both sides?

It is a problem which affects both sides of the river. The fish certainly do not know what province they are in, nor do most of the fishermen when they are standing in the middle of the river know what province they are in at that point.

Your letter to me, dated July 15, said almost the same thing that I stated in my letter to you, namely, that Quebec has more liberal fishing laws, that ice-fishing is growing in popularity and that there may be problems with the quantity of walleye and pike. I recognize there may be a problem with walleye and pike, but the number you can catch in a day is already controlled. Whether you stand for four hours to catch three pike, or whatever the limit is, or whether you have four lines and stand 15 minutes, you can still only catch that number.

Could you explain the rationale behind that? Your letter really did not cover it all that well. I think there are six or seven different fishing clubs affected by this.

Hon. Mr. Pope: I think there are two ways to try to control the catch. One is by controlling the number of tip-ups and the other is by controlling the amount of the catch. We are concerned about the fishing there and that is why we have not changed our policy recently.

We are trying to get the involvement of the Quebec government and the federal government with regard to fishing in the Ottawa River. I do not think we can say that that co-operation at the present time involves any fish programs. Maybe it will in the near future and then some of these issues can be resolved. But I do not think

we can move before we have that kind of agreement with the federal and Quebec governments.

Mr. Boudria: On a supplementary, Mr. Chairman, would the minister at least undertake to look at the Quebec legislation to see if there is any major stumbling block to making our legislation on the Ottawa River similar to it? It may require only a small modification; you may see that it is really not going to take much of a change to satisfy the concerns of the local residents.

Hon. Mr. Pope: When I meet with the Quebec minister, I will see that that item is put on the agenda, and we will see what we can do about it.

Mr. McKessock: I have a petition and a resolution from the township of Proton regarding the problems they are having because of the large number of beavers there. One of the numerous problems is the need to repair roads because they block up the culverts and cause flooding. This also creates the need for drainage maintenance.

In addition, they cause damage to trees and block off the waterways, causing flooding of fields, further tree damage and loss of land use. They are what your ministry calls nuisance beavers. The petition they have sent contains about 30 names.

Mr. Laughren: Don't give me any of this nonsense. Are you for or against the beavers?

Mr. McKessock: I am against the beavers.

Mr. Laughren: I'll be damned. They are Canada's national symbol.

Mr. Boudria: Try to tell that to the farmer who has them all over the place. He will tell you about the damage they cause to the corrugated metal when they dam up the culverts and how difficult it is to remove the pieces of wood.

9:50 p.m.

Mr. McKessock: And they are not too pleased if you take them out of the area because before too long they are back again. The people seem to be disappointed with the treatment they are getting from the ministry on this.

Hon. Mr. Pope: I will give you an answer to this. Were you at the Ontario Federation of Agriculture luncheon today?

Mr. McKessock: Yes.

Hon. Mr. Pope: Do you recall the question I got from the audience about this? A man was complaining because we were taking away his trapping licence and his son's trapping licence

because he did not trap his quota under the existing system. He complained because he did not think we should take away those privileges for failure to perform. But you are saying we should.

Mr. McKessock: I think that is a little unfair. The guy had a legitimate case. His son went into the hospital for an operation and that was why he did not catch any furs that year. So the next year he found himself without a licence. I do not think that was fair.

Mr. Wildman: You do not remove a licence to trap based on one year's performance.

Hon. Mr. Pope: I know that and I do not. I asked for the details because he did not say it was only that reason. He said that was among other reasons.

Mr. McKessock: Anyway, do you have an answer to the problem? This township is saying you do not.

Hon. Mr. Pope: The answer to the problem is to make sure the trappers trap the animals that are causing the problem. If they do not, we will get someone else to do it.

Mr. Wildman: Will the ministry hire a trapper if there is a particular problem in a farming area?

Hon. Mr. Pope: The last time we did that was in Timmins, and there were kids crying on television.

Mr. McKessock: There is a bit of a problem in hiring a trapper, a general conservationist, to go in and trap those beavers.

Mr. Laughren: Are you for beavers or not?

Mr. McKessock: In Proton township I am not. Ask the people who signed this petition if they are for pelts or beavers in Proton township.

There is a problem about bringing in the conservationist trapper. He will make sure he leaves enough to make a good catch the following year. Meanwhile, the farmer's fields are flooding out. My suggestion, Mr. Minister, is to put a bounty on them. That has been tried in other townships. But it is my understanding that the Ministry of Natural Resources says they cannot do that.

Mr. Wildman: You can get a good price for them.

Mr. McKessock: The price is not good enough or we would not have the problem.

Mr. Laughren: That is the market system. Don't you believe in free enterprise?

Mr. McKessock: I believe in a good price and a better market if it is necessary to clear things out. Would you agree to a bounty?

Mr. Laughren: He wants a marketing board for beaver.

Hon. Mr. Pope: No. I think we should be trapping to control these problems. I do not think I would like a bounty.

Mr. McKessock: Would you tell me why you are opposed to a bounty?

Hon. Mr. Pope: If you think the situation will be resolved by—

Mr. Wildman: Couldn't you put forestry under beavers? After all, they cut down trees.

Mr. McKessock: I am sure the farmers in Grey county will be amused by the NDP's suggestions.

Mr. Wildman: I am sure the men who work in the forest industry up north are going to be amused by the fact that you guys have used up so much time that we will not be able to get to the vote on forestry today.

Mr. McGuigan: They are going to be very amused by the NDP's interjections and at the fact that they don't care about the problems they are having with beavers. They don't know what a farmer is and, evidently, they don't know what a beaver is either.

Mr. McKessock: Did you say why you would not agree to have a bounty?

Hon. Mr. Pope: I tried to.

Mr. Chairman: If the minister could answer that question, with the permission of committee members we could move on to mineral and forest management in the five or 10 minutes that remain.

Mr. McKessock: We must have this response.

Hon. Mr. Pope: We think we can control the beaver population through the trapping system. We do not see any need for a bounty. We think there are some downsides to a bounty system. We regret the kind of problems that are encountered in specific instances, but in most other areas there is a proper control through the trapping system and we do not want to change that.

McKessock: Evidently this has proven to be not a proper control. Could you give me the reasons why you do not like a bounty system?

Hon. Mr. Pope: I think I just explained that. One township and your two problems do not mean that the whole system is a failure.

Mr. McKessock: What can be done in the townships where it is a failure?

Hon. Mr. Pope: We shall just have to try to improve the performance of the trappers and try to resolve the problem that way.

Mr. McKessock: You say there is a problem with bounties. I fail to see the problem. Can you tell me what it is?

Hon. Mr. Pope: Yes. I do not think that is a proper mechanism for controlling them.

Mr. McKessock: I understand that it works.

Hon. Mr. Pope: Sure it works. You wipe them out too.

Mr. McKessock: That is the idea in the area where there are problems.

Hon. Mr. Pope: I guess we fundamentally disagree then. I do not think the goal should be to wipe them out. The goal should be to remove problems that are affecting farmers and their lands.

Mr. Haggerty: Remove the beaver and relocate them. That is the best thing.

Mr. McKessock: That has been done, but they still come back.

Hon. Mr. Pope: I am familiar with the idea with respect to Navy Island. When we tried it in Rondeau Park with respect to seven deer, we killed three with the tranquillizer gun and the other four probably died when we changed their environment.

Mr. Chairman: I think the minister has responded to your questions, Mr. McKessock. You may have a fundamental disagreement with the answer, but I do not think that changes the fact that he has answered both the questions you posed.

Mr. McKessock: I have one little supplementary. Would the minister agree to a bounty for a limited period of time where there is a problem?

Hon. Mr. Pope: No. In the fish and wildlife section, I will agree to try to work on resolving the problem in that area, to monitor performance a little better, to get out and talk to the farmers in the area, and to see what specifically we can do to help them.

Mr. McKessock: I appreciate that, but I know they are tired of talk. They have been having it for years.

Mr. Wildman: Are you ready to do the same thing with the racoons on St. Joseph Island?

Interjections.

Item 2 agreed to.

Item 3 agreed to.

Mr. Chairman: Shall vote 2503 carry?

Mr. Haggerty: I want to put one question, Mr. Chairman. Looking at our expenditure of \$1.309 million relating to provincial lottery funds, I would like to know what this money is being spent on and in what areas. I understand that some of it is for geochemical mapping and environmental monitoring, but where? You have certain areas, but how many areas are we looking at?

In your report I believe you mentioned acid rain and the chemistry of the lake waters. Is there not a duplication in this particular area when the Ministry of the Environment or the Ministry of Health is doing this? Could this money not be put into some other area that might bring just as good results, such as for a forestry program or to purchase new recreational areas?

Hon. Mr. Pope: In the last minute of these estimates, the fact of the matter is that both the Ministry of Natural Resources and the Ministry of the Environment are jointly involved. We are not duplicating each other's work. We are both working together. We ourselves are doing projects in certain lakes, mainly in the western Algonquin region where the lakes are not situated on basic rock formations. By that I mean basic in terms of the pH content of the rock.

We have also been involved in some liming of these lakes in the western Algonquin Park region and we have been involved in some research work on the effects on fish and aquatic plants, which is directly within our jurisdiction. The Ministry of the Environment is testing a number of places with respect to the water itself, the pH levels, and doing, as I understood it, some projections on possible shock impact from acid precipitation of various kinds, including snow.

10 p.m.

We are both involved in it. We are involved in it because we are concerned about the effects on fish and aquatic plants. That is why we do this jointly with the Ministry of the Environment.

Mr. Haggerty: What areas have you done, particularly relating to the Killarney Lake area? They tell me there is quite a problem there. Have you really resolved that problem? I heard a couple of years ago that you were using lime as a neutralizer to try to bring back some of the lakes in that particular area that had perhaps lost their—

Hon. Mr. Pope: Yes. Liming is just a temporary measure. It is just an attempt to preserve some of the aquatic life in that lake. In the long term, unless we can get some other solutions, it will not be effective.

Mr. Haggerty: What other solutions are you looking at if lime is not going to resolve the problem?

Hon. Mr. Pope: I think we discussed this in the very introductory comments of the estimates.

Mr. Haggerty: You talked about it there, but I want to know where the money is being spent on that. Are there other areas where we are looking at it relating to expenditures that are taking money from the provincial lottery fund? I believe you are doing a study, particularly in the Grand River area.

Hon. Mr. Pope: Yes. We are also doing some work up in the Wawa and Sault Ste. Marie areas that I was reading about the other day. We are trying to spread it out through a wide circle where we think the impact could be the greatest.

Mr. Haggerty: Why in the Grand River area are you carrying out this type of study? What are the reasons for it? What have you found in that particular area that may be of some alarm to the environment?

Hon. Mr. Pope: I think we are just doing basic research.

Mr. Haggerty: Is there any relation to the fallout from the Ontario Hydro plant at Nanticoke?

Hon. Mr. Pope: I think that is speculation.

Mr. Haggerty: I don't know that. You may call it speculation, but I want to know.

Mr. Chairman: Mr. Haggerty, I believe the time has expired for the estimates.

Mr. Haggerty: This is another important area.

Mr. Chairman: It may well be, but I have been pointing out for the last seven or 10 hours of the estimates that time was getting short. Members of the committee chose to use their time asking questions about prior matters.

Mr. Haggerty: We still have an opportunity in the House of questioning even on the last vote.

Hon. Mr. Pope: Sure.

Mr. Haggerty: Either we proceed in this manner or do it in the House. We still have an opportunity in the House to get into the debate.

Mr. Chairman: Under standing order 46(d), I am obligated when time expires to carry the remaining votes in the estimates before us.

Mr. Eakins: In other words, you have sworn not to go any longer.

Mr. Laughren: On a point of order, Mr. Chairman: It really is a bit bizarre when we debate the Ministry of Natural Resources—and I am not blaming the chairman—that we do not debate forestry or minerals in these estimates. It might be helpful if the estimates book put a little different priority on things and had forestry and minerals at the beginning of the votes rather than at the very end. It is not the chairman's fault; the committee members decide what they are going to debate. I appreciate that and I am not looking for blame. But I do think it would make more sense if the votes in the estimates book were organized a little differently in the future.

Mr. Chairman: Thank you, Mr. Laughren. I am sure the minister will take that under advisement.

I would point out that there was some discussion and debate on these very important matters at the beginning of the estimates with the minister's opening statement, questioning by both opposition critics and the minister's reply to them.

Mr. Wildman: On a point of order, Mr. Chairman: For the record I would like to point out that in terms of dollars allocated we have not discussed the most expensive vote.

Mr. Chairman: I fully appreciate that.

Mr. Wildman: Far more money is spent on the last vote than on any of the other votes. It is interesting that members of the committee, for whatever reasons—whether they be beavers or whatever—chose not to talk about forestry and minerals.

Item 4 agreed to.

Vote 2503 agreed to.

Votes 2504 and 2505 agreed to.

Mr. Chairman: This concludes the estimates of the Ministry of Natural Resources.

By the way, members of the committee, I am advised there will not be a meeting on Monday evening. The next item before the committee is the Ministry of Industry and Tourism estimates. We will be meeting on Thursday morning at 10 o'clock.

The committee adjourned at 10:05 p.m.

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Standing Committee on Regulations and Other Statutory Instruments

Estimates, Ministry of Industry and Tourism



First Session, Thirty-Second Parliament

Thursday, December 3, 1981

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Thursday, December 3, 1981

The committee met at 10:15 a.m. in committee room No. 1.

ESTIMATES, MINISTRY OF INDUSTRY AND TOURISM

Mr. Chairman: Gentlemen, I see we have a quorum. We have before us the estimates of the Ministry of Industry and Tourism. I would suggest we proceed by having the minister give his opening statement, to be followed by Messrs. Cunningham and O'Neil of the Liberal Party and Mr. Cooke of the NDP, if that is agreeable to all on the committee.

I would suggest that we continue this morning until 12:30, and we will be reconvening at 8 p.m. this evening.

Hon. Mr. Grossman: Thank you, Mr. Chairman. I look forward to the remarks of my colleagues in the other parties. I trust they will be as brief and succinct as we will be in our opening statement.

I have now been Minister of Industry and Tourism for some three years and to those who have sat through these estimates on earlier occasions with me, I must say I hope they will join me, as objectively as possible, in noting with some gratification some substantial development of the ministry and its attendant programs during that period.

Members of the committee, in opening my estimates this year, I want first to acknowledge the very important support and innovative assistance I have received during these three years from my own personal staff and particularly from the ministry's civil servants. In a difficult period of time, our government, like all governments, is going through a continuing attempt to maintain an existing level of service with fewer resources.

That problem gets more severe every year and, in the case of my ministry, may I say my civil servants have performed excellently through this period of time, not only in maintaining existing levels of service with fewer resources, but indeed in responding to some initiatives in an aggressive way. In fact, we have increased programs, increased program delivery, increased

the number of people who are being assisted by the ministry and have done so with fewer resources really, by any measure.

The ministry's civil servants have shown a great deal of pride and dedication to the tasks at hand in, again, what was and still is a crunching period of time in terms of resources. So I want to begin today by paying particular tribute to those people who have stayed with us, who have fought hard through some reorganization in the ministry, who have seen a dramatic change in the ministry over three years and who, I think, have played a major role in the continuing development and outreach of the ministry and its programs over the past three years. I thank them.

I also wish to introduce our new deputy minister, Bernard Ostry, who will be playing a major role in helping our ministry address effectively, and I hope imaginatively, the complex issues that confront us in the years ahead.

I hardly need remind the committee that there is much bleak news around today. In spite of that news it is a reality that Ontario continues to be the manufacturing heartland of Canada, despite the fact that there is some restructuring occurring in some sectors. Today, we account for 49 per cent of all manufacturing activity in Canada. Of course, as we have seen in some municipalities, this can be both a blessing and, from time to time, a problem for our people.

The world economic situation and high interest rates have created difficulties for our manufacturing community. Inevitably there has been a degree of retrenchment in some of our traditional industries as a result of international and domestic factors.

10:20 a.m.

By most indicators used to measure a modern industrial society, Ontario has been fortunate compared with other jurisdictions. Our gross provincial product in 1979 led all other provinces at \$101.6 billion. In October of this year, 114,000 more people were working than last year and more than 450 companies announced new manufacturing projects in excess of half a million dollars during 1979 and 1980.

I am not going to dwell on these encouraging signs, attractive as they may be, because I want to emphasize our great concern about some unhappy events in the industrial sectors of this province during that same period. Business failures, closings and layoffs have a human dimension which is particularly distressing to those of us who believe in the dignity of labour and the right of all Canadians to find self-fulfilment within our democratic society. Our objective must be, and is, to do the best we can within the mandate we have as a ministry of one province within a larger Canadian and world community of industrial nations.

Our business and labour communities will, to some degree, always be vulnerable to forces outside our control. It is not unique to Canada. It is certainly the situation today in an industrial world struggling against deepening recession with, in this country, a federal government seemingly incapable of providing the incentives and national framework for economic growth. The challenge for us—pardon me?

Mr. Eakins: Having said that.

Hon. Mr. Grossman: Having said that, time and again. We repeat the truth.

The challenge for us is to take every innovative step possible within our jurisdiction to ameliorate the problem and to try to ensure a healthy and stable economic climate for our entrepreneurs in Ontario so that the people of our province will continue to have the opportunities which ensure a rich quality of life.

In the light of this province's strengths and the world's economic challenges, I would like to outline the highlights of my ministry's initiatives during the past year and some of our priorities for the future within the following broad categories: strengthening our traditional base; selected emerging sectors; and finally, facing some broad economic issues.

Strengthening our traditional base: Automotive. The impact of the worldwide rationalization of the automotive industry on Canada is obviously significant to Ontario. As a result of this rationalization, the Canadian industry is experiencing difficult structural adjustments similar to those in every advanced industrial country other than Japan. These adjustments, combined with a deep cyclical downturn, are costing thousands of people in Ontario their jobs.

It is critical that we develop greater automotive expertise, both as a competitive location for vehicle assembly serving the North American market and, as well, as a major supplier of parts

and components for world markets. Ontario has the material resources, in the plastics, aluminum and light steel industries, required to support a strong world presence in the automotive sector. In the past two years, there have been 67 plant expansions and conversions in Ontario's auto sector.

This province has pursued a number of strategies to help the auto and auto parts sector adjust to new world requirements, in spite of the fact that we depend in large measure on federal government policies, particularly under the Auto Pact.

Ontario's initiatives: To assist our auto producers in facing the increasing pressures expected in the 1980s and to enhance the long-term competitiveness of the auto parts industry, our ministry will establish an automotive parts technology centre. Funds will be allocated by the Board of Industrial and Development Leadership to provide productivity services, an information centre, training and education, and testing facilities for small-to-medium-sized auto parts manufacturers.

The ministry has also pursued several initiatives to help the industry maintain its position in the commercial world:

Through the employment development fund we provided \$25.2 million in grants, guarantees and loans, which encouraged \$261.8 million in private investment and created 4,621 new jobs over the last two and a half years;

During the period from April 1, 1980, to October 31, 1981, the Ontario development corporations provided 30 loans and guarantees totalling \$6.9 million to create an estimated 726 new jobs;

We led the largest trade mission ever from Ontario to the société internationale de transportation et vehicules in Geneva, the European auto industry marketplace. As a result of that visit, we further secured the first North American location for the SITEV America show and, based on the show's success last year, we have it returning in November 1982;

We retained Patrick Lavelle, head of the Automotive Parts Manufacturers' Association of Canada, to direct our Paris office in securing European business and promoting our duty remission program.

Mr. Cooke: When is he coming back?

Hon. Mr. Grossman: Mr. Lavelle will be completing his term this month.

We encouraged Volkswagen to select Ontario as the best location for its Canadian plant; this initiative will result in 500 direct jobs, \$102.2

million of direct investment resulting in export sales of \$95 million from the new Barrie plant, plus \$165 million in exports from other Canadian auto parts suppliers;

We hired Hayao Yazawa—a my good friend—a former executive of the Japanese auto industry, to advise us on additional methods of attracting Japanese investment and business for our auto parts industry.

We are currently engaged in negotiations with the federal government, Chrysler Canada and Perkins Limited to produce diesel engines in the great municipality of Windsor, Ontario.

Mr. Cooke: Actually it will be in the great riding of Windsor-Riverside.

Hon. Mr. Grossman: We are going to do it anyway.

Mr. Cooke: I will believe it when I see it.

Hon. Mr. Grossman: I suspect you will be less critical of that grant, if necessary, than you were of the grant to Volkswagen in Barrie.

Mr. Cooke: This should not be a grant.

Hon. Mr. Grossman: We will see what you say at the time.

We have been a leading and vocal advocate for the auto sector in negotiations with the federal government, including identifying changes needed in the auto pact.

Although the difficulties facing the industry at this time are great, we are confident that, with the assistance of the car makers, particularly General Motors of Canada, and of the APMA, government and the industry can work together to meet the challenge.

I might say, of course, members of the committee, that we could spend all the time for my opening statement and all of estimates on the auto sector alone. The problems are complex. They are discussed regularly both inside the government and outside the government and I look forward to further discussion, perhaps in more depth, as these estimates continue.

Textiles and clothing: In 1980 alone, Canada imported \$1.6 billion in textiles and \$798 million in clothing. I see Mr. Eakins wearing some of that imported clothing this morning.

Mr. Eakins: No, this is made locally.

Hon. Mr. Grossman: Is it?

Mr. Eakins: Sure.

Hon. Mr. Grossman: Put together locally.

Mr. Cooke: I would like to know where you get some of your suits.

Hon. Mr. Grossman: All in Canada.

Mr. Cooke: I am sure you buy them in Canada. I am not sure they are produced here.

Hon. Mr. Grossman: Spadina, in my riding, of course.

Mr. Cooke: Where are they produced?

Hon. Mr. Grossman: In my riding.

Mr. G. I. Miller: Mr. Minister, you have the list of the imports on textiles. What about the imports on the car parts? You do not have a total.

Hon. Mr. Grossman: We will have that when we get to it.

Today, per capita imports of textiles and clothing into Canada exceed those of the United States, the European Common Market or Japan. With shipments totalling \$3 billion, Ontario's textile and clothing industry represents about 25 per cent of Canada's clothing industry and 40 per cent of its textile industry. This sector employs 65,000 people, many in areas of the province where employment alternatives are simply not plentiful.

Ontario's initiatives: A major initiative by this government was the Ontario textile assistance program, OTAP, which was designed to help firms improve competitiveness through modernization, improved productivity and product quality. Under this program, \$5.4 million in grants was provided through the employment development fund supporting \$71.4 million in investment. The program has helped create 212 new jobs.

In addition, through the employment development fund, we provided another \$1.3 million in grants supporting \$31.9 million in investment to help create 339 jobs. This was funding other than from the Ontario textile assistance program.

We also helped firms gain access to computerized pattern grading at the Ontario Research Foundation in order to help them improve productivity. Ontario has also been an advocate for the textile and clothing sector to the federal government in the renegotiations of international agreements governing this area.

Forest products: Forest products is, of course, one of Canada's leading sectors. It not only represents a significant portion of our gross national product, but it also constitutes our leading exporting sector.

Nationally, the industrial output of the forest products industry was estimated at more than \$20 billion in 1979. Of this income, a full half was derived from exports.

10:30 a.m.

Our initiatives: Ontario's pulp and paper firms are undergoing massive plant modernization which will secure employment and exports for the future, maintain competitiveness, increase productivity, meet environmental guidelines and generate economic activity in Canada through domestic sources.

This modernization results from a \$118.8 million provincial incentive program to encourage pulp and paper operators to commit contractually to a fundamental plant modernization plan. The federal government followed our lead and provided an additional \$60 million towards the fund.

Today, nine of Ontario's 13 pulp and paper firms have successfully concluded agreements for capital program incentives to generate: more than \$1.5 billion in capital expenditures at 20 Ontario pulp and paper mills by the end of 1984, of which 89 per cent will be new private investment; significant improvements in mill efficiency and productivity; compliance with environmental pollution abatement requirements; economic activity of more than \$1.3 billion or 85 per cent within Canada; and security for 15,508 jobs for pulp and paper workers.

As of January 1981 expenditures and commitments relative to this program included \$269 million used for purchases within Ontario, \$141 million spent in other Canadian provinces and \$61 million used for foreign equipment purchases.

Fourth, food and beverage processing: Food and beverage processing is one of the largest manufacturing sectors in Canada, though it rarely gets much visibility. In Ontario alone it is a \$10 billion business annually, serving well over 90 per cent of the domestic market and worth about \$27.9 billion a year. This sector employs 85,000 men and women in Ontario. However, in 1980, Ontario's imports in agricultural and food products amounted to \$2.33 billion, while exports totalled \$1.32 billion; in other words, a billion dollar deficit.

While 40 per cent of Ontario's total agricultural and food imports could be replaced by domestically grown and processed products, significant productivity improvements would be required. On the export side, Ontario's performance could be improved if food and beverage processors could penetrate the markets that exist potentially for certain Ontario products in Europe, the Middle East and some newly industrialized countries such as Brazil and South Korea.

Ontario's initiatives: To help this important sector capture more of Canada's domestic market, Ontario has provided \$27.6 million in loans, guarantees and grants through the Ontario development corporations and the employment development fund during the past 15 years. Last January the Board of Industrial Leadership and Development initiated a \$20-million, five-year aid program for this sector, which will be co-ordinated by my ministry in co-operation with the Ministry of Agriculture and Food.

Already \$4.4 million worth of projects has been announced to enable companies to modernize and expand their operations, including a five-year planting program for clingstone peaches and assistance for a controlled atmosphere storage program. A \$4-million allocation will support \$20 million in private investment at Canada Packers Inc. to provide a canola crushing operation. This facility opens a new crop opportunity for Ontario farmers.

Mr. McEwen: Mr. Minister, why would we invest \$4 million into Canada Packers when Canada Packers is one of the largest producers of profit in the processing industry?

Hon. Mr. Grossman: Mr. McEwen, perhaps if you could drop around this evening again when we get to questions after the opening statement, I will be glad to answer that question.

Let me turn to tourism now.

Mr. Cooke: I am surprised you did not lead off with this.

Hon. Mr. Grossman: Tourism? I would like to go down this presentation. It is a first.

Mr. Eakins: Could you supply a copy of your estimates, Mr. Minister?

Hon. Mr. Grossman: I would be delighted if the committee concurs.

The tourism industry is strengthening its position as the second largest industry in Ontario. It is behind the manufacturing sector only in terms of employment and provincial tax revenue. In 1980 total tourism-related expenditures were about \$7.6 billion and generated more than \$1.2 billion in provincial tax income.

Residents of Ontario spent seven out of those 10 tourism dollars. This year Ontario's tourism industry is experiencing its best year ever. For 1981 total tourism revenues are estimated to rise by 16 per cent to \$8.8 billion generating more than \$1.3 billion in provincial tax revenues. I wish I could get it for our own ministry.

Travel to Ontario from outside Canada in the first nine months of this year increased 8.2 per

cent over the same period in 1980. Nearly 25 million people came to Ontario in the first nine months of 1981.

Mr. Eakins: Was that for gas?

Mr. Cunningham: They came to work in Spadina.

Hon. Mr. Grossman: Yes, for Jim Coutts. The largest gain was in travel from the United States at 8.8 per cent. There was a 2.2 per cent increase in visitors travelling by car and staying one or more nights, the first substantial gain since 1973. In addition, the September year-to-date figures show a reduction of 2.5 per cent in the numbers of Ontario residents returning from travel in the United States.

Present world trends indicate tourism will be the leading industry by the year 2000. Decreased family size, increased disposable incomes and the energy situation all suggest more Ontario residents will choose to holiday at home. Direct destination and non-auto vacations by both domestic and foreign tourists will also increase.

To meet the demands of a changing market, operators of tourist establishments, hotels, motels, restaurants, resorts and attractions, such as Ontario Place, are planning for the future. The worldwide tourism market has been estimated to be worth \$120 billion by 1990. Recognizing this, the Ontario government is taking steps to ensure we fully share the bright prospects in a generally difficult economic period.

Some Ontario initiatives: In May 1980 my ministry launched a major marketing campaign under the banner of "Ontario—yours to discover!" This international multimedia promotion aims to maintain the upward trend of tourism in the province by increasing traffic and spending by tourists from markets with the highest growth potential.

The campaign has been a major success. A study of Ontario residents found a 78 per cent awareness level of the "Ontario—yours to discover!" theme nine months into the program, compared to 80 per cent awareness of the "I Love New York" theme after three years of the program. The latest studies commissioned by the ministry revealed the "Yours to discover!" theme is now recognized by 63 per cent of Americans in 11 key US markets.

Ontario's tourism marketing program is one of the most comprehensive and successful in the world. The ongoing program of \$9.6 million provides for more than 40 publications devoted to events, attractions and accommodation and an extensive variety of promotional items featuring important Ontario tourist destinations.

This major marketing campaign includes world-class advertising throughout the province, the United States and major markets abroad in English, French, German, Dutch and Japanese. In November our agency, Camp Associates Advertising Limited, was awarded three major international television awards for our tourism advertising. For the third time this marketing effort represents the most ambitious tourism campaign in North America.

In 1981 this program includes the following: A special \$2-million supplement was provided by the Board of Industrial Leadership and Development to publish a spring 1981 newspaper magazine. It promoted Ontario as a travel destination to homes in 11 key American markets within driving distance of Ontario—Buffalo, Cleveland, Chicago, Detroit, Duluth, Lansing, Minneapolis, Milwaukee, Rochester, Syracuse and St. Paul. The response in telephone inquiries and reservations was extensive.
10:40 a.m.

A similar spring supplement went to three million Ontario homes. A winter attractions magazine was mailed to three million Ontario homes in January, 1981. For the winter of 1981-82 an expanded winter magazine will be distributed to Ontario homes through 42 newspapers. Our well-publicized tourist information service received 1,133,000 inquiries from January 1 to October 31, 1981. This represents a 27.8 per cent increase in volume over a similar period last year. During the peak summer period, an average of 13,500 inquiries were handled each day.

Mr. Cooke: It sounds like my constituency office.

Hon. Mr. Grossman: Yes, but we handled them efficiently.

Mr. Eakins: Is that just the Toronto office?

Hon. Mr. Grossman: No, that is the overall, the total inquiries department.

Mr. Eakins: Chambers of commerce all over Ontario?

Hon. Mr. Grossman: No, that is the ministry's facilities—tourist information centres and call direct lines.

Mr. Sheppard: Have you any idea how many inquiry offices you would have across the province?

Hon. Mr. Grossman: How many offices do we have?

Mr. Sheppard: Yes.

Hon. Mr. Grossman: We have 17 tourist information centres.

Mr. Eakins: Not nearly enough.

Hon. Mr. Grossman: It is more than we had before.

To improve our service, we opened new centres in the Eaton Centre in Toronto, at Canada's Wonderland, at West Lorne and one at Odessa, replaced the existing centre in Niagara Falls and remodelled the centre in Barrie. We expanded the service time of the Fort Erie, Windsor bridge and Hawkesbury centres to full-year and opened a travel counselling service in Ontario House in London, England. That is quite an impressive array of initiatives, just to expand that one service. We led travel trade missions to world-class travel trade shows in Canada, England and Germany. Unfortunately, I could not attend any of them.

Mr. Cooke: You should have sent the critics.

Hon. Mr. Grossman: If they were doing their job a little differently, I might have. You might keep that in mind during the rest of this week.

Mr. Cooke: You cannot be in Australia and there too.

Mr. O'Neil: It is nice to see a humble person.

Hon. Mr. Grossman: If you are not going on parliamentary junkets—

Mr. O'Neil: You should be a little more humble.

Hon. Mr. Grossman: I am.

Mr. O'Neil: It would help you a lot.

Hon. Mr. Grossman: I am just offering consistency.

In 1981, we helped more than 200 travel journalists from Canada and abroad promote Ontario's attractions. We expanded our travel information services to French-speaking tourists by publishing all materials in French, expanding the French-speaking travel counselling service and introducing and promoting a French telephone inquiry service.

Mr. Eakins: I must tell my constituents that.

Hon. Mr. Grossman: Tell them in French.

To promote the tourist value of our provincial parks, the ministry worked with the Ministry of Natural Resources to develop a full parks promotion program. Beginning—it says this year but I suspect it is 1982—Ontario licence plates will bear the "Ontario—yours to discover!" theme.

Using technology to help tourists: Another major initiative in our tourism program is exactly that, the introduction of new technology. To upgrade the reservation service, we are looking at the feasibility of establishing a centralized computer reservation system designed to make the industry competitive international-

ly, to spread traffic to underutilized areas and to enlist travel agents directly as Ontario sales people.

My ministry is also assessing the feasibility of introducing a computer system to gather, store and retrieve information on tourist accommodation and attractions. Through BILD, we will spearhead an \$11-million program to spread Telidon communications technology throughout the Canadian economy with travel information as the key data base.

Resources for tourist operators: Consultants in 18 field offices and at head office helped operators and developers analyse potential tourism sites and provided data for feasibility studies. They also offered guidance in effective operational procedures, in-house training for management personnel and staff in contact with the public, market data and analysis, financing advice, assistance in preparing and distributing promotional material, and presentations to other government agencies to ensure tourism development plays a key role in local plans.

Initiatives this year included the introduction of a service brochure promoting ministry assistance that is available; the introduction of a guide to using marketing to increase profits, specifically designed in conjunction with the Northern Ontario Tourist Outfitters Association for tourist operators; joint industry-ministry seminars on marketing; assistance to NOTOA in northern land-use issues to ensure that the importance of tourism as a business is understood; financial and staff support to assist NOTOA in publishing its directory of accommodation; and more financial incentives to travel associations to prepare more effective marketing plans and to gain professional marketing advice.

Tourism development: The quality and variety of Ontario's accommodation and attractions are essential to keeping our tourism business growing. Under the federal-provincial eastern Ontario subsidiary agreement, \$4 million has been provided to assist with feasibility studies, selected capital infrastructure, events and historical restoration costs associated with tourism development projects of regional significance. Ontario shares costs equally with Ottawa.

Under the federal-provincial northern development subsidiary agreement, \$3 million has been allocated for marketing, travel generators and planning studies associated with tourism. However, I must point out that the federal government's share of the two above agree-

ments represents less than two per cent of their development dollars for the tourism industry in Canada.

Mr. O'Neil: What does yours represent?

Hon. Mr. Grossman: We would have to be, I would guess, spending more than all the other provinces combined. I would have to check on that.

Mr. O'Neil: Could we get a figure on that later?

Hon. Mr. Grossman: I will see if we can get it during the estimates.

Mr. Cooke: You know what Herb Gray did the other day?

Hon. Mr. Grossman: Yes, interest-free loans for new motels, is that right?

Mr. Cooke: Restructuring the economy.

Hon. Mr. Grossman: That is an important initiative for Windsor.

Mr. Cooke: I did not say it was not.

Hon. Mr. Grossman: It is long overdue; it is about time.

We have now been negotiating a third agreement with the federal government, and I must say we have discovered a lack of federal interest in tourism needs.

Mr. Eakins: That is not true, but you will agree that we are the only province in Canada that has not negotiated a Department of Regional Economic Expansion agreement with the federal government. Every other province, I think, has. Why have you not?

Hon. Mr. Grossman: Simply because every time we get close to signing an agreement, the federal government changes the rules so it will not enter into an agreement.

Mr. Eakins: There is no problem with the other provinces. To say there is no interest in the tourism needs is not true. I can point that out through Charles LaPointe's figures.

Hon. Mr. Grossman: I would be delighted to look at those figures.

Mr. Eakins: However, it reads well.

Hon. Mr. Grossman: I would like to see those because I must say that there has been no process more frustrating for me, as a minister, than to try to negotiate a DREE tourism agreement with the federal government. I want to say we have finally and most recently said to the federal government, "Since you change the rules every time we get close to agreement in this area, we will accept the conditions set out in your last offer."

They keep coming back with conditions that they expect will be unacceptable to us. They have now cut the funding from \$100 million, which is what they started to talk about, down to \$30 million. When they started to talk about this, they were going to give us a \$100-million tourism agreement, now it is at \$30 million.

I must tell you that about a week ago the Treasurer (Mr. F. S. Miller) wrote them and said, "Whatever amount of money you have got and under whatever conditions you want, we will take it because at this stage it is better than nothing." I want to predict to you that they will write us back and find a reason for not signing that agreement.

Mr. Eakins: But you will agree that we have been pushing you in other previous presentations we have made here and that the other provinces have been successful in negotiating agreements?

Hon. Mr. Grossman: There is no question the other provinces have far more success in negotiating these agreements than we do because the federal government will not give us any money.

Mr. Eakins: By saying that, you admit the federal government is interested in tourism. You gave the impression here that they are not.

Hon. Mr. Grossman: Not in Ontario.

Mr. O'Neil: Why do you say that? What reason do you put to that, that they are not co-operating with you?

10:50 a.m.

Hon. Mr. Grossman: I believe they think that in this province we ought to go it alone in tourism, not to mention other areas. I have a hard time when I look at the amount of money the federal government has spent, and quite properly, in putting major ski resorts in British Columbia. I think the amount they put into British Columbia under DREE tourism is \$40 million to \$50 million.

There is going to be an incredible amount, quite properly in my view, going to the Olympics in Calgary. There has obviously been a great deal put into the tourism sector in Quebec. We have the figures for you, and we had them last year, in terms of the DREE tourism grants.

Mr. Eakins: A Canadian focal point.

Hon. Mr. Grossman: I must say that with over 50 per cent of all tourism in this country coming to Ontario, it is rather unusual that they spend two per cent of their development dollars in the province that gets 50 per cent of all the tourists.

Mr. O'Neil: But what reasoning are they giving you for not agreeing with giving you the sort of funds you ask for? You have not really told us that.

Hon. Mr. Grossman: I should bring the documentation next time with which we could make it public because I have to tell you that if they would give us a reason we could deal with it. What they keep coming back with is changed terms and conditions, all of which fogs the issue and we cannot grapple with any specific reason.

Mr. O'Neil: Can you make those documents public?

Hon. Mr. Grossman: We shall get all the DREE letters. We have to get permission from the federal government to release the communications first though.

Mr. O'Neil: I should like copies of them if you get that agreement.

Hon. Mr. Grossman: I would love to have your assistance.

Mr. Eakins: Even Alberta got some funding, did it not?

Hon. Mr. Grossman: No. The federal government backed out of that DREE agreement too at the last minute.

Mr. Cunningham: Would it be your stand on the constitution that has offended them?

Hon. Mr. Grossman: I do not think so, but I would have thought that you might use your good offices with them, or your colleague's here, to try to—

Mr. Eakins: The Premier (Mr. Davis) could have discussed that and had that all set up.

Hon. Mr. Grossman: Well, he might have.

However, I want to repeat that my colleague the Honourable Frank Miller and I are working together to ensure that Ontario receives finally a fair percentage of that across-Canada program.

In addition, our tourism redevelopment incentive program, implemented in 1979, guarantees loans up to \$500,000 and provides an interest rate subsidy of five per cent, decreasing to zero over a 10-year period. Guarantees of over \$27 million have enabled 83 establishments to develop or upgrade the facilities, supporting \$57 million in total investment. This program has now been extended to 1984.

Planning for future development is essential to the success of new tourism operations. Through our studies assistance program, we help operators, developers and municipalities pay for market and financial feasibility studies.

Such projects have included a market study for King Mountain, a traffic and parking study in Niagara Falls, a feasibility study for an attraction in Cornwall and, would you believe, an excursion train proposal for the great area of Haliburton.

Major new tourism developments have also benefited from the Board of Industrial Leadership and Development program. Initiatives approved to date represent more than \$70 million and include a review of the Canadian National Exhibition in Toronto and the Central Canada Exhibition in Ottawa to determine future development; the provision of \$27 million for a new Metropolitan Toronto convention centre and \$10.8 million for a new Ottawa convention centre, leveraging an additional public and private sector investment—

Mr. Cooke: When are we going to get a domed stadium?

Hon. Mr. Grossman: In good time, when it is affordable.

Mr. Cooke: Will we have one in time for when the Blue Jays finally make the World Series?

Hon. Mr. Grossman: That gives us a lot of time. I guarantee you will have a stadium before that happens.

Mr. Cooke: We do not want the Blue Jays in Windsor. We have the Tigers.

Hon. Mr. Grossman: Yes, you are right.

Also included are a grant of \$9.2 million for infrastructure assistance in support of a year-round world class destination resort to be built at King Mountain by 1983 and supplementary funds of \$4 million to support the Ministry of the Environment's \$8 million grant to develop the sanitary sewage and waterworks systems required to spur recreational development in the Craileith-Blue Mountain area.

In addition to BILD initiatives, the government has supported the Hamilton convention centre with \$5 million in financial assistance, in other words about one third of the cost.

Mr. Eakins: They need convention bookings.

Hon. Mr. Grossman: We are trying our best. They got a hotel last week too.

Mr. Cunningham: You still did not win the seat.

Hon. Mr. Grossman: We will win the bye-election though.

Upgrading accommodation: The Tourism Ontario accommodation grading program has been developed jointly by Tourism Ontario and my ministry in response to a demand for

consistent, reliable accommodation. Last year my ministry provided \$260,000 to fund Tourism Ontario's program. We anticipate that grades for about 600 properties will be published by next spring in our accommodation guide. We also introduced a \$5.5-million program, funded through BILD, to help tourist establishments upgrade their facilities. This two-year program will help provide incentive financing for improvements recommended by Tourism Ontario in its grading reports.

While the grading assistance loans are available on a one-time basis, the development corporations will continue to provide assistance for other tourism projects under their regular financing programs.

Mr. O'Neil: I notice, Mr. Minister, that you have not mentioned anything about sales tax on accommodation. Will you be touching on that later?

Hon. Mr. Grossman: We may discuss that later if you wish, or you could drop down the hall to the Treasurer's estimates and discuss it with him.

Interjections.

Mr. Cooke: We do notice that Frank Miller is becoming much more powerful in the cabinet than he was a year ago.

Mr. Eakins: There is nothing here that I can see on Minaki. Is there no reference to the opening of Minaki next May? Since a lot of funding has gone into that, I thought it would be there under tourism, or is it not a tourism potential?

Hon. Mr. Grossman: Oh, it is, but having played our role in finding a private sector operator to go in and manage the place—

Mr. Eakins: But you always review the roles which you have all through here, but you did not review that one.

Hon. Mr. Grossman: You would not like me to continue to refer back to completed tasks every year at estimates. We are trying to look at the future.

Interjection.

Hon. Mr. Grossman: Having done our job, you would quite properly object if we kept beating our breasts about jobs we had completed. I did my job.

Interjections.

Mr. Eakins: Your job is not finished yet.

Hon. Mr. Grossman: The Ministry of Northern Affairs is taking the lead responsibility in finishing it.

Mr. Cooke: A lot of the things you have mentioned so far are things you have mentioned three or four times before.

Interjections.

Mr. Eakins: I want to congratulate the minister on that.

Hon. Mr. Grossman: I always share credit with my colleagues, including the Minister of Northern Affairs (Mr. Bernier). The Minister of Northern Affairs is carrying the ball.

Interjections.

Mr. Cunningham: He was not paying attention at that game. He had his head down that day.

Mr. Eakins: Leo can do it.

Hon. Mr. Grossman: He is. It is going very well, as far as I know.

Interjections.

Hon. Mr. Grossman: In fact, they have some bookings up there already.

Interjections.

Hon. Mr. Grossman: Both of your parties could have their leadership conventions there. There are 100 rooms; that should do it.

Mr. Cooke: Your party has never had policy conventions.

Hon. Mr. Grossman: We certainly did.

Mr. Cooke: You had your first policy convention with 300 people.

Hon. Mr. Grossman: Five hundred.

Mr. Eakins: The first and the last.

Mr. Cooke: Grass roots input.

Mr. Eakins: Bill 7 just about sank them too.

Hon. Mr. Grossman: We could accommodate 100. There are 100 rooms; I do not know how many people the Liberal Party sleeps to a room, so I cannot be definite.

Mr. Cooke: Are you going to fly us in?

Hon. Mr. Grossman: We will fly you in. We may not fly you out.

Mr. Eakins: I cannot understand how that will move ahead when you have a 30-person accommodation at Ogoki and they cannot make it operate. Is it still open?

Hon. Mr. Grossman: Ogoki has been reopened

by the Provincial Secretary for Resources Development (Mr. Ramsay), yes; and Ogoki is not Minaki and Minaki is not the King Edward.

Mr. Eakins: It is attracting fly-in people. It is a tourism attraction.

Hon. Mr. Grossman: You bet it is, but they are different.

Mr. Eakins: It has native management; they know all about it.

Hon. Mr. Grossman: I think you will find a splendid array of attractions at Minaki Lodge.

Mr. Eakins: We are wishing you success, you know.

Mr. Cunningham: I know you were down buying up all the stuff from the Muir Park Hotel.

Hon. Mr. Grossman: Small business: The fastest-growing sector of our economy is still small business. It is now well known that during the past several years small businesses in Ontario have contributed to the creation of more new jobs than larger firms have. The 240,000 small enterprises in our province account for 40 per cent of our total employment. However, in a period of western industrial recession smaller firms are particularly vulnerable. High interest rates and lack of sufficient capital are taking a toll on our small companies.

Ontario's initiatives: Often the ongoing assistance that the government provides through loans, guarantees, advice or advocacy, is not as well publicized as the selective assistance to large companies. Yet smaller firms remained the prime beneficiary of government programs and assistance throughout the year, and we will continue the commitment to build jobs and sales in the small business sector of Ontario.

11 a.m.

Although almost all my ministry's initiatives have a benefit to the small business sector in Ontario, some programs are specifically designed to help smaller firms. For example, under our technological assessment and planning program, the Ontario government pays up to 90 per cent of the cost of research and development and technical assessment work performed for small businesses by the Ontario Research Foundation and other research organizations. We pay up to \$3,600 per firm. In the fiscal year 1980-81, 30 Ontario small businesses benefited from this program, receiving a total of \$102,300 for preliminary technical assistances and planning studies.

The provincial initiatives to create technology centres specializing in auto parts, biotech-

nology, microelectronics, resource machinery and computer-aided design will have particular benefits for smaller firms that cannot afford their own technology expertise.

Mr. Cooke: You should have announced them for the estimates so we could discuss the locations and the rationale for those locations.

Hon. Mr. Grossman: We might have an announcement during estimates. If they are ready before the estimates are finished. That happens to be true. Seriously, I would like to get them announced.

Our program to encourage product and process innovation provides inventors or small business entrepreneurs with financial assistance up to \$10,000 to build a prototype of an invention to prove its feasibility. In the fiscal year 1980-81, 35 entrepreneurs received a total of \$349,100 in assistance.

The product development management program, cosponsored by the government of Ontario and Design Canada, focuses on products that can be exploited commercially within 12 months of project completion. Grants of up to \$20,000 on projects involving a maximum of \$25,000 are available. Combined funding is 75 per cent of eligible costs.

In 1980-81, 33 companies across Ontario received assistance totalling more than \$580,000 towards the acquisition of outside product design capabilities. In the same year industrial engineering experts from my ministry provided advice and assistance in such areas as facility design, assembly methods, control information design and management information systems to 316 small secondary manufacturers in Ontario.

Promotional assistance helps companies with innovative products to produce effective promotional materials and acquire skilled marketing expertise from the private sector. The Ontario government pays 50 per cent of the cost to a maximum of \$7,500 per company. In the fiscal year 1980-81, 104 small firms received assistance totalling about \$657,000 under this program.

My ministry has increased its marketing consulting services by expanding our team of consultants. In 1980-81 we provided guidance and counselling to 400 small Ontario businesses under this program. We created a special marketing-to-government consulting service and distributed a government purchasing directory to 35,000 small businesses across the province.

The small business management development program is designed to improve the management techniques of small business oper-

ators. Ministry consultants host public meetings with business operators in small communities. Private consultants are engaged to provide one-on-one consulting services over a six-month period. In 1980-81, 20 communities were assisted in northern and eastern Ontario. Owing to demand, the program has now been extended to cover all Ontario.

To help small firms find skilled people, the ministry provides employers with a domestic and international skill search. The program also encompasses advice and assistance with regard to manpower planning and skills training. In the fiscal year 1980-81, 2,887 employers requested assistance, 73 of them requiring recruits from overseas. Imported skills totalled 883, and 8,092 jobs were created for Canadians.

Many small businesses have problems that can be solved with the assistance of a consultant for a limited time rather than a full-time employee. The small business assistance program provides a good quality, low-cost consulting service through 12 Ontario universities. In 1980, 276 senior commerce and business administration students worked on 1,746 assignments. Retail and service businesses accounted for more than two thirds of the firms assisted, mainly in the marketing, accounting and financial areas.

To help firms determine where to go for information, we distribute a directory called *Starting a Small Business in Ontario*. More than 40,000 copies a year are distributed on requests from firms. We are now going to make it available through chartered banks and chambers of commerce.

Our field staff at 18 offices and our head office specialists are meeting more firms and offering our assistance. Also, the Ontario Chamber of Commerce and my ministry have agreed to act as joint partners in the dissemination of information across the province. Already 33 chambers of commerce are part of the business information centre program, which is particularly designed to reach the retail and service sectors.

We have introduced a new community-based approach to professional counselling. We have conducted three major counselling sessions, one in Kingston, one in St. Catharines and one in Thunder Bay, as experiments in delivering professional services. More than 400 people came to the three seminars to talk with experts in financing, marketing and operations. Through our new taxation seminars, run in conjunction with the small business assistance projects at 12

post-secondary schools, we have made first-class professional taxation advice available to more than 450 business people in 27 locations across the province.

My ministry provides counselling assistance to small business owners to enhance their ability to direct the financial operations of their firms. In 1980-81 ministry consultants worked with 246 small businesses across the province, broadening their financial knowhow and assisting them with the development of financial information systems.

The Ontario development corporations offer supplementary financial assistance on a selective basis for development or expansion by small businesses when adequate funding through other sources is not available on reasonable terms and conditions. In the fiscal year 1979-80, 385 term loans and guarantees were approved with a commitment of \$59.7 million. Companies estimated that more than 8,650 new jobs will be created from these investments during the next five years.

Last year the program was accelerated. Between April 1, 1980 and March 31, 1981, 649 loans and guarantees, totalling \$108.7 million, were approved for businesses in Ontario. More than 14,600 new jobs will be assisted during the next five years as a result of these loans. Between April 1, 1981 and October 31, 1981, 397 loans and guarantees have been approved for assistance, totalling \$63.2 million.

Under BILD, two community development corporations were formed to assist local entrepreneurs, through counselling, provision of technical expertise and feasibility studies, to establish and expand local business enterprises. Sharbot Lake in eastern Ontario and the West Nipissing Municipal Association have received approval for up to \$100,000 a year for three years as the two model corporations.

To address the financing needs of both emerging and growing Canadian high-technology companies, the Ontario Development Corporation, through BILD, has earmarked a fund of \$50 million to be used over the next five years to nurture high-tech firms and to encourage and assist expanding developed Canadian-owned firms. Of course, in the tourism sector, thousands of small business operators will be affected by Ontario government initiatives.

We believe that the development and expansion of small-sized and medium-sized Canadian-owned businesses is key to our economy. In

total we feel we have a comprehensive series of programs designed to assist small business when, where and in the ways required.

11:10 a.m.

Part III is entitled Selected Emerging Sectors. High technology and high-technology industries are a major priority to any nation that hopes to be domestically and internationally competitive in the next decade and beyond. Innovation-intensive industries have consistently outperformed manufacturing generally in jobs, output, productivity and profits. Ontario has traditionally supported research and development through university programs.

Mr. Cooke: Not for research, not with money from the provincial government.

Hon. Mr. Grossman: I believe you may be misinformed on that.

We have also supported industrial research through the Ontario Research Foundation. In the past five years we have committed \$20 million to the Ontario Research Foundation, which helped 2,002 companies last year. We have increased this support by \$1.6 million for capital investment in new technology. The opening in July of the Ellis engineering wing improved facilities for research in engineering.

Ontario has many high-technology sectors that have the capacity to expand in the 1980s and have the business leadership to capitalize on Ontario's base. This is where Ontario's BILD program will make a contribution to the development of high technology in the province. Canadian-owned firms will be assisted with \$10 million in 1981-82 to provide startup and development funding by taking bridging equity positions through the Ontario Development Corporation.

Marketing our successful products is another priority for this government. Through my ministry's foreign offices and missions program we are promoting Ontario's high technology products to other governments and companies. We are also selling at home. My ministry, in conjunction with the Canadian Advanced Technology Association, sponsored the first comprehensive exhibition of Canadian high technology ever assembled, Canatech '81, in October 1981 to demonstrate our country's abilities and products.

More than 50 Canadian high-technology companies, including Northern Telecom, Gandalf, Spar Aerospace, Mitel, Electrohome, Norpak and the manufacturers of Telidon hardware, displayed their products at Canatech '81. Devel-

oping technology takes time and money in the framework of a long-term serious commitment. Ontario has made that commitment.

The microelectronics field represents a great opportunity for Canadian firms. Of a world semiconductor production of \$14 billion, Canadian firms produced about \$40 million to \$50 million, while \$492 million worth of components were imported to Canada. Of a world market of \$180 billion in electronic products, we produced \$4.3 billion. It is estimated that intelligent electronic-based products will have a \$60-billion annual market by the end of the decade. We want to secure an adequate share of that market for Ontario producers.

In addition to providing improved productivity and export potential in various manufacturing sectors, high-technology industries are already providing the kind of growth and employment opportunities Ontario wants. It is encouraging that of the 80 high technology companies operating in the national capital area, employment may increase from the current 15,000 level to 100,000 by the end of the eighties. This region now has the basis of a dynamic and aggressive industry, an industry that the government is committed to seeing developed to its fullest possible extent.

As to Ontario's initiatives, almost two years ago we started a review process of the long-range implications of microelectronics for Ontario's economy and the identification of the most lucrative opportunities. I recently tabled the report of the Ontario Task Force on Microelectronics. The report recommends that the government stimulate investment in high-technology ventures through tax incentives; develop policies to improve the climate for research and development; establish immediately a microelectronics technology centre as a central information base and a prime resource for technological development; treat software as an industry in its own right; work with labour and private industry on retraining programs; and provide income support programs to assist workers displaced by new technology.

We are moving to enhance this technology in Ontario. My ministry will be establishing a microelectronics development centre shortly. This centre will be designed to ensure a steady and adequate flow of advanced technology to industry, particularly to smaller manufacturers, and to explore product design applications. However, the development of microelectronic technology is by itself not sufficient to raise

Ontario's manufacturing potential. This new technology must be applied to manufacturing processes in Ontario.

We funded the Ontario Research Foundation research on the potential applications of micro-electronic technology to manufacturing processes. The aim of the \$100,000-study was to assess the awareness of the manufacturing industry in Ontario of computer-aided design and computer-aided manufacturing technologies and to make recommendations on the needs of companies to utilize these technologies. To promote understanding of the capabilities and benefits of CAD-CAM systems on the part of both company management and technical personnel and to create a pool of qualified manpower in related areas, the Ontario government will create both a CAD-CAM and a robotics centre.

The centres will provide robotics, computer-aided design and numerical control machine demonstration, applications counselling and training, technical and supplier information and special application development. Many of these services and activities will be available on a fee-for-service basis.

We have also identified certain specific opportunities to assist Canadian high-technology entrepreneurs in producing an entire new range of world leading educational learning devices. More than 3,200 microcomputers have been purchased by Ontario schools, mostly imported from Japan and the United States. The future growth potential in this market, not only in Canada but worldwide, is enormous. To develop world leading educational microcomputers, the Ministry of Education, along with the Canadian Advanced Technology Association and my ministry, worked to develop a new set of functional specifications for educational microcomputers. This will enable Canadian manufacturers to develop products to compete internationally.

Biotechnology: Biotechnology has come to mean the science and technology of engineering micro-organisms to carry out specific tasks for economic benefit. This is estimated to be a multibillion dollar market of the future. Like microelectronics, the industrial applications from advances in biotechnology have the potential to affect almost every sector of our economy, either with entirely new products or with the replacement of traditional products and processes. Biotechnology will provide industrial opportunities in the health care, energy, agriculture, forestry and mining sectors.

Ontario's initiatives: In anticipation of future markets, my ministry identified biotechnology as one of the major high-technology opportunities for manufacturing benefits. Ontario has already been involved in funding and encouraging research in this area throughout universities, agricultural research programs, natural resources experimentation and industrial research through the Ontario Research Foundation.

Earlier this year Premier Davis announced a major investment in this developing technology. The Ontario government will participate with the Canada Development Corporation and John Labatt Limited to establish a jointly owned venture to develop biotechnology-based products and processes that will have a fundamental impact on our economy. Industrial applications will be its prime focus.

The new biotechnology venture, Allelix Incorporated, will provide Canada with a world-scale entry into this rapidly advancing technology. Construction of the research and production facility in Malton is the first stage in a 10-year, \$100-million investment program announced earlier this year in support of this new high technology.

Ontario will contribute \$30 million. Of this, \$5 million of this is an up-front investment from the joint venture; \$10 million will be loaned to finance the research facility; and the remaining \$15 million will support ongoing research costs. Provincial cash flow for the 1981-82 fiscal year is expected to be \$8 million to support research into the manufacturing application opportunities.

11:20 a.m.

We look to the centre to foster the development of specialized technology and manpower so critical to the success of this technology. We expect to help foster the development of new Canadian firms that will compete internationally. This centre will help us co-ordinate our efforts in Canada and discourage duplication of facilities or research.

Aerospace: The world aircraft market is expected to peak at \$300 billion between 1985 and 1990. Coupled with this is a \$100-billion worldwide market for turbine engines. In the general aviation field alone the market is expected to rise from less than \$17 billion in the 1970s to more than \$58 billion in the 1980s. The engine market will also triple from \$4 billion to \$12 billion.

Ontario has an opportunity to capitalize on this growing market. Currently, Canada is fifth in aerospace sales in the western world. Our

sales in the past year exceeded \$2 billion. That is a 250 per cent increase during the past four years, with a further doubling expected during the next five years.

The industry now exports more than 80 per cent of its production, and growth in employment has nearly doubled from 25,000 in 1974 to 45,000 this year. For Ontario's aerospace firms to benefit from a world market, bold federal leadership is required. It will take a national defence policy and program to provide the climate where major firms such as Spar Aerospace can develop internationally recognized products.

The federal government's industrial offset programs, which require economic benefits for Canada under its procurement program, should assist Ontario firms. For example, under the industrial benefits program signed with the federal government for the supply of long-range patrol aircraft, Lockheed Corporation is committed to place close to \$1 billion in new business with Canadian firms. Under the program for the supply of the CF-18 fighter aircraft, McDonnell Douglas Corporation is committed to place close to \$3 billion in new business, 60 per cent of which is to be in the aerospace and electronics fields.

Ontario's initiatives: In anticipation of this growing market of the future, we have been working with Ontario firms already actively pursuing this market. Lockheed Corporation in California, with the co-operation of my ministry, conducted a series of seminars in May, during which a team of quality assurance experts from Lockheed showed Ontario manufacturers how to qualify as suppliers to the aerospace industry. More than \$465 million in contracts had been placed in Canada by the end of last year.

A continuing effort is being made to identify and catalogue the production capabilities of companies wanting to participate in the contracts resulting from the offset programs and to assist them in upgrading their capabilities.

My ministry also undertook missions to Missouri, Texas, California and Georgia, seeking aerospace contracts with major American avionic and aerospace companies. We produced detailed information for Ontario firms on the market opportunities and steps to capture that market. Meetings were set up for 15 Ontario firms with more than 200 procurement officials from 41 aerospace companies in a one-week Ontario mission to California.

We also supported the federal mission to

France for the Paris Air Show in June. Preliminary sales from the 29 Canadian firms that participated included a dozen options to buy de Havilland's 36-passenger Dash-8, scheduled for production by 1984. Ontario has already paid \$9.2 million for the first two Dash-8s to be produced to help the cash flow for de Havilland's development program.

Mr. Cooke: That means you could have bought two more for the other \$10 million.

Mr. Boudria: You could have had four.

Mr. Cunningham: Sure, with four you would have got one.

Hon. Mr. Grossman: How do you know I am not getting the one we got?

Mr. Cooke: Frank Miller is getting that one.

Mr. Cunningham: It is Alan Pope's plane. It is as simple as that. You get the delegates; you get the plane.

Hon. Mr. Grossman: We also see a tremendous opportunity for the creation of an indigenous helicopter industry with the Canadian military's need to replace its 100-craft fleet.

Where required, Ontario is also prepared to make financial assistance available to firms where employment or new technology will result. In July I announced a \$650,000-grant to Bachan Aerospace of Canada Limited in the great municipality, once again, of Windsor. Can you believe the amount of things we have been doing for Windsor?

Mr. Brandt: It is absolutely staggering.

Hon. Mr. Grossman: That is a valid complaint to raise in view of the amount of attention we have paid to it.

Mr. Cooke: Every time you do something in Windsor our unemployment rate goes up another percentage point.

Hon. Mr. Grossman: I guess the only constant factor there is the local members.

Mr. Cooke: No.

Hon. Mr. Grossman: The \$650,000-grant to Bachan Aerospace of Canada Limited in Windsor was for a \$6.7-million, five-year capital investment program. A total of 242 more jobs will be created in Windsor during the next five years as a result of the expansion. In addition, a grant of \$400,000 went to Haley Industries Limited to assist an \$8-million, five-year capital expansion. This expansion will create 81 new jobs.

The aerospace market provides great potential, but requires a major capital investment and

aggressive worldwide marketing. Firms such as de Havilland and McDonnell Douglas have the products and expertise to sell successfully to this market, but some restructuring of jobs in this developmental area and period may occur.

Information technologies: There is every indication the new information technologies will dominate the next 20 years, and the decisions made about the communications and information technology sector will affect a whole host of other industries. Information-based occupations now account for more than 45 per cent of all jobs in our society. The market for computers and related technologies alone will reach \$3 billion this year in Canada and may exceed \$15 billion annually before the turn of the century. The Canadian communications market is approximately twice this size.

The introduction of new microelectronic-based technologies has created a market for new office equipment, which is commonly known as the office of the future. In addition, the advent of new microelectronic-based technologies, such as videotex, Telidon, video cassette recorders, videodisc players, fibre optics and satellite broadcasting has opened up phenomenal industrial development opportunities in feature film, video arts, industrial and educational programming and software development. The videotex market alone may reach \$750 million a year and 400,000 sets a year could be sold by 1985. Taken together, hardware and software provide us with enormous challenges. Our ministry is committed to capitalizing on those advantages.

Ontario's initiatives: One major commitment of my ministry is to the Canadian videotex system, Telidon. The Ontario government has mounted an \$11-million hardware and software program for the diffusion of Telidon technology through our economy. This program will be allocated up to \$5 million from the Ontario government, \$5 million from Infomart and \$1 million from Torstar Corporation. Through this new videotex support program, our government will purchase 2,000 Telidon units. Initially, these units will be programmed with tourism information, the Toronto Star guide and other specifically developed data bases provided by the private sector through Infomart. We estimate this program will stimulate the sale of 75,000 videotex terminals in our domestic market alone by 1983.

In order for Telidon technology to move from an experimental stage to a practical reality, the Ontario government has made the first invest-

ment in a practical program. Because of the wide interest in travel information and attractions advice, Telidon will soon be used by the public directly. We are confident this major purchase of terminals, along with the investments in specifically designed programming, will provide an important market base for Telidon as well as enable this new technology to be diffused rapidly into the mainstream of our economy.

11:30 a.m.

To administer and co-ordinate this new videotex support program, we will create a new information technologies capability within the ministry to create a capability to promote film, video and software development. With the introduction of pay TV in the next few years, our film and video industries will be provided with an additional vehicle that could create thousands of new jobs. My ministry will also extend existing marketing and promotion services to the video and software industries.

Another initiative is our marketing and assistance program for the office of the future. The most modern high-technology equipment available will be incorporated in such operations as the new Ministry of Revenue headquarters in Oshawa and the liquor control board's new warehouse installation in the Durham region. These are examples, I think, of initiatives we will be able to pursue successfully to help these critical sectors grow and flourish in Ontario.

Machinery and equipment: Canada's resource-based industries, agriculture, energy, pulp and paper, fishing and mining, provide a lucrative equipment and technology potential. By 1980, 75,600 people were employed in Ontario in the machinery and equipment sector, and we expect this to increase by 50 per cent to 114,000 by 1985. But despite growing export sales between 1970 and 1980, Canada quadrupled its machinery trade deficit from \$1.6 billion to \$7.1 billion, as the rate of demand outstripped our capacity to produce. The greatest potential market is for machinery needed by resource-based industries where imports account for two thirds of the domestic market.

For example, manufacturing opportunities include \$67 billion in oil- and gas-related projects in Canada over 10 years and \$1 billion in agricultural equipment imported annually at present. There are great opportunities for Canadian manufacturers in the Canadian oil- and gas-related developments and in major electrical generation and transmission projects.

There are also opportunities to develop new Canadian suppliers for the \$19 billion in orders that must now be placed offshore.

Ontario's initiatives: Ontario has actively helped the machinery and equipment sector to identify opportunities and has stressed to all provinces the important role that the resources industry can play in helping our country's domestic machinery and equipment sector. Ontario firms have the capacity to capture a greater share of our domestic market, but this requires the early identification of manufacturing opportunities and the initiation of joint ventures to supply and develop the equipment needs of the resources sectors.

To co-ordinate this function, we will provide a major initiative for the resource machinery industry. Through a co-ordinating facility in Sudbury, representatives of resource firms, equipment manufacturers, labour and government will identify the manufacturing opportunities and work together to develop the kinds of equipment that resource companies will need in the next 10 years. While we are trying to assist the machinery and equipment sector within our provincial means, it is clear that national and international factors are having a substantial negative impact on many of our Ontario firms in this sector.

Now I come to the part entitled Facing Some Broad Economic Issues. Developing our domestic market: I believe that Canada must work towards building a strong economic confederation and that our economic strength lies in the further development of our domestic market. Our own domestic market, where we sell 75 per cent of our goods, is our most important market. Yet Canada has a high level of import penetration. Ontario manufacturers selling into this market are confronted in regional and provincial markets with some obstacles as great as those encountered in dealing abroad.

Promoting a Canadian common market: Throughout the year we have travelled across Canada delivering the message that the country can build a prosperous national economy in which each region and each province can create more jobs and higher incomes for its citizens.

Mr. Cooke: Does that mean being co-operative with Quebec and the federal government on Volkswagen and the rest of it?

Hon. Mr. Grossman: Do you think we should have let Volkswagen go to Quebec?

Mr. Cooke: I was just making a commentary.

Hon. Mr. Grossman: It is easy to make commentary; it is hard to make decisions.

Mr. Cooke: You got more disunity on that particular issue than anything else.

Hon. Mr. Grossman: You would be pretty quiet if it were in Windsor. Perhaps you would advocate letting the diesel engine plant go to Quebec. Is that what you are advocating?

Mr. Cooke: No. I am not advocating that. Don't be silly.

Hon. Mr. Grossman: I thought you would see it my way.

Mr. Cooke: No, I very seldom see it your way.

Hon. Mr. Grossman: Our philosophy was outlined in the paper, Interprovincial Economic Co-operation: Towards the Development of a Canadian Common Market.

We embarked on several practical steps that we believe will help Ontario and all other provinces develop a sound economic future. We have traditionally offered a 10 per cent price preference for Canadian, not Ontarian, content in public procurement. We required Canadian sourcing by all recipients of the \$118.8-million employment development fund grants to the pulp and paper industry. This enabled Quebec to gain \$200 million in orders and other provinces to gain \$69 million to date.

Mr. Cooke: Now we have to talk to Toronto City Council and get them to buy North American cars.

Hon. Mr. Grossman: They did. They turned that decision around.

Mr. Cooke: They did?

Hon. Mr. Grossman: Yes. The police commission decided to pay the extra money and buy cars produced in Windsor and Oshawa.

The Acting Chairman (Mr. Brandt): It would be appropriate for you to now send them a letter of congratulations.

Mr. Boudria: Is the chairman not supposed to be neutral?

Interjections.

The Acting Chairman: These interjections are flowing back and forth.

Mr. Cooke: I am sure it had a lot to do with the NDP aldermen on the city council.

Hon. Mr. Grossman: You will no doubt send a letter to the office of procurement policy in my ministry for bringing those issues to the fore and congratulating them on their efforts, and we will follow it up.

Mr. Cooke: If they had anything to do with this, then they deserve congratulations.

The Acting Chairman: That would be in order. I will send you a note to remind you. Could you carry on, Mr. Minister?

Interjection.

Hon. Mr. Grossman: On the side of every one of those vehicles—like the TTC cars.

We established an interministerial committee on government procurement that is seeking ways of increasing the use of provincial procurement to promote Canadian industrial development. We identified prospects for interprovincial procurement agreements on specific products so as to support the establishment of new Canadian industries in educational material, professional and scientific equipment, pollution control equipment, office and store machinery, and electrical industrial equipment, to name just a few.

We have called for the establishment of a Canadian domestic market development agency, one which would be owned and operated by all eleven governments, to encourage changes in provincial purchasing practices, to work with megaproject managers and to examine major import-replacement opportunities. We have obtained a co-operative commitment with some provinces on some reciprocal trade activities.

Some selected sectors: Last summer we obtained agreement from the other provinces to embark on the first major program of interprovincial co-operation in replacing imports. We set out to increase by 10 per cent the Canadian share of the health care products market that was being imported. The total Canadian market for these products is about \$1.2 billion annually. Of that market, 70 per cent is now purchased from outside this country. We are now looking at the institutional sector. This \$2-billion market in Canada represents the public procurement segment of the industry alone.

Procurement policy: Last year ministries of the Ontario government directly purchased about \$800 million worth of goods and services. That total represented one third of the goods and services purchased by all provincial governments in this country combined. About \$8 billion was spent by all public bodies in Ontario.

In 1974, as a percentage of domestic production, government or government-financed purchases in Canada accounted for 22 per cent of all expenditures in the construction industry, 14 per cent of all expenditures on pharmaceuticals and medicines, 13 per cent of the expenditures on office furniture and 11 per cent on other furniture, and 12 per cent of all expenditures on scientific and professional equipment. Total

government expenditures in Canada on goods and services amount to about \$35 billion annually. Two thirds of those expenditures are at the provincial and municipal levels.

11:40 a.m.

Last year the Ontario government announced that our Canadian preference policy in purchasing would be extended to all provincially funded agencies on a voluntary basis. To ensure maximum impact from this new policy direction, we have established an office of procurement policy which is responsible for working with provincially funded agencies to assist their purchasing departments in adopting the new preference requirements for Canadian products.

This office is also responsible for developing corporate sourcing commitments for those companies receiving provincial development assistance. Those requirements have been built into the programs of BILD, the employment development fund and our small business financing programs and are now being incorporated by the Ontario development corporations.

The office of procurement policy is also developing initiatives designed to make public sector purchasing more effective. A mechanism has been established to require that all substantial purchases by provincial ministries be reviewed in order to provide Ontario with the opportunity to exhaust the potential contribution of Canadian suppliers prior to any contract going offshore. As part of the mechanism, the office has the mandate to recommend to the Ontario cabinet that preference in excess of the basic 10 per cent be considered in cases where the purchase is of particular importance to a specific Canadian industry.

Aid to Ontario firms: In addition to our commitment to the development of interprovincial economic strategies, we have continued to give support to companies in our own province through a series of initiatives. We have participated in domestic trade fairs aimed at maximizing the Ontario manufacturer's opportunities in megaprojects. We play an advocacy role in investigating legitimate complaints about public sector purchases of products from foreign suppliers when comparable products are available domestically. We maintain a computer data bank of sales agents and distributors across Canada to which Ontario manufacturers have access.

In addition, \$23 billion worth of imports has been identified in the \$80-billion materials and equipment sales anticipated in Canadian

megaprojects in the next 10 years. We are actively working with the megaproject principles to develop an effective trade development program. These are examples of measures designed to replace a portion of the \$50 billion worth of manufactured goods imported into this country annually with Canadian-made products.

Opening export opportunities: In 1980 alone Ontario exported almost \$17 billion worth of products throughout the world. In fact, export of goods and services accounted for one third of all provincial income; yet our exports are mainly manufactured goods. They do not sell themselves. They need sophisticated marketing support for long-term international success.

Through the 1980s, as tariff barriers are lowered under the terms of the Tokyo Round multilateral trade negotiations, Ontario firms will find significant, new export opportunities, but also increased competition. To meet that competition, they will have to increase their efficiency, the level and sophistication of their marketing efforts, and their ability to produce high-technology products based on effective industrial research, development and innovation in Canada.

We are committed to help first-time exporters to develop export capabilities through specific programs and policies introduced last year in our Export '80 program. Our prime assistance to these first-time exporters is international marketing consulting advice through our domestic offices and our trade development specialists. On average, the ministry handles 100 consultations a week on exporting.

The following programs have been the most beneficial to first-time exporters: The trade aids program has assisted 45 companies in the fiscal year 1981-82 with sales of \$7,162,000 and 56 more firms will be helped this fiscal year. The US regional trade fair program helped to introduce 134 programs to our nearest and most accessible foreign market. Specific market and marketing advice was provided on all major markets. Trading houses qualified for the first time for export assistance to help smaller firms to export.

Through BILD, an international marketing intern program was launched. We pay half of a new graduate's salary for two years if that graduate is trained in international marketing and gains experience both inside and outside Canada. Already 13 interns are in place and about 35 are on their way.

Expanding export opportunities: My ministry

has designed programs to build on the strengths of long-time exporters and help them diversify and expand. Our detailed market data, exporting advice, marketing expertise and information on federal and provincial export support programs help these firms expand export business. Our 1980-81 trade development programs, both missions and fairs, brought good early results to Ontario firms.

For example, a group of mining equipment manufacturers came home from South America with sales worth \$4,339,000. Another group went to Mexico on a mission, costing \$9,000, and sold machinery worth \$3,625,000. An Ontario trade mission to China pursued an \$8-million tobacco market. Thirty-five auto parts manufacturers at the annual auto parts show in Geneva sold more than \$7 million there and projected \$23 million in future sales. An exhibition in West Germany brought more than \$2 million worth of orders.

To help long-term exporters, we identified a core client list of 1,000 firms with the most potential to expand Ontario's export sales. Under the Export '80 program we undertook the following initiatives to help them: We used trade associations to bring together firms which can export complementary product lines, and we set up the office of commercial policy to help Ontario firms that encounter unfair trade practices by foreign competitors. We identified more than 100 Ontario trading houses to begin promoting services to small- and medium-sized manufacturers. We doubled export financial assistance through the development corporations, then increased the funding again through the BILD program from \$25 million to \$50 million.

We also created the Ontario International Corporation to help Ontario public and private sector expertise gain from the \$100 billion a year market for capital projects, mainly in newly industrialized or resource countries. During its second year the corporation expects to help in the signing of \$285 million in contracts between Ontario companies and countries around the world.

Financial advice is a major requirement for large and small firms. Our 18 domestic field offices provide significant consultations in this area as well as referring firms to the 11 offices of the Ontario development corporations and head office specialists for the BILD and ministry funding programs. Hundreds of firms receive help each year in finding investment partners, financial backers and support from banks. We

play a particularly active role in encouraging financial institutions to give special consideration to smaller ventures that need initial support.

Since the Ontario development corporations were established, the bulk of their activities has been directed toward providing small business assistance. More than 87 per cent of the 5,000 loans and guarantees approved since the corporations' inception have been received by small Canadian businesses with the average loan in the \$140,000 range. By the fifth year of investment, these loans will help generate an estimated 124,000 new jobs.

The development corporations will continue to focus on a selective basis on credit and cash-flow needs of Canadian-owned small- and medium-sized businesses in line with the province's industrial development objectives in cases where conventional lenders do not provide an adequate supply of capital for Ontario's entrepreneurs. In some selected situations the corporations may offer special incentives, which are invaluable tools in assisting potentially viable firms over their breakeven point and into their next stage of growth development. Incentives applied to term loans generally take the form of interest and/or principal deferment or interest payment schedule based on earnings. Incentives applied to guarantees are usually in the form of an interest subsidy.

11:50 a.m.

In 1980-81 the development corporations approved 368 term loans for \$51,101,000. Of these, 206, with a value of \$34,299,000, contained some incentive element. In addition to the incentives offered by the corporations, the basic lending rate is usually somewhat below that charged in the private sector and hence affords an incentive in itself.

At the present time the development corporations provide direct financial assistance to Ontario's industries in three basic forms: term loans with or without a direct incentive feature, loan guarantees with or without incentive and export lines of credit. Recently, the development corporations have been placing increasing emphasis on the use of loan guarantees with the province usually guaranteeing 90 per cent of the loan's face value.

The development corporations, through BILD, have been allocated \$10 million a year for the next five years for the expansion of the existing venture financing assistance program and the implementation of an income debenture program to support high technology and growth

companies in accordance with the BILD initiative. The development corporations also provide a unique credit facility for new exporters that is instrumental in helping these firms over the initial steps of entering new markets.

BILD has recognized and supported the validity of this export support program, which in 1980-81 financed an estimated \$70 million in manufactured exports via the extension of revolving lines of credit. As previously announced in BILD, the Ontario development corporations will receive an additional \$15 million in 1981-82 and \$10 million in 1982-83 to fund their revolving lines of credit for exporters in an expansion and refinement of the existing program, which will emphasize the corporations' catalytic role in assisting new exporters.

The employment development fund, which ended in March 1981, provided the main assistance vehicle for medium and large firms in industrial sectors that have high employment factors. Often employment development fund grants were used to help major sectors, such as pulp and paper, textile or farm machinery, retool for the future. In this process of securing jobs for the future, some unemployment will result as the firms restructure.

Of the grants approved to October 31, 1981, 20.6 per cent have gone to general manufacturing; 29.1 per cent to the automotive industry; 8.3 per cent to wood products; 6.5 per cent to high technology; 11.1 per cent to textiles; 2.1 per cent to the electrical sector; 20 per cent to transportation; 1.5 per cent to agriculture and food; and 0.8 per cent to chemical. Canadian-owned businesses have received 58.2 per cent of the funding and foreign-owned firms 41.8 per cent.

Since its inception in 1979, the employment development fund has approved grants of \$179.5 million to the manufacturing and pulp and paper industries. This secured capital investments commitments of \$2.3 billion in Ontario over the next five years. The projects will create about 15,567 new jobs.

Mr. Cooke: What sector are you referring to?

Hon. Mr. Grossman: All of the sectors.

Mr. Cooke: That includes the 2,800 at Ford?

Hon. Mr. Grossman: No, I do not think it does.

Mr. Cooke: I should hope not.

Hon. Mr. Grossman: This is the Board of

Industrial Leadership and Development. Are there enough people working at that Ford plant?

Mr. Cooke: How many are?

Hon. Mr. Grossman: It was supposed to begin in 1983, I think. Is that right?

Mr. Cooke: No. The plant was supposed to be in full operation by 1982.

Hon. Mr. Grossman: I believe you are mistaken. It was to build 300,000 engines per year from 1983 to 1987.

Mr. Cooke: I know that under the agreement they only have to get up to 40 per cent, which will not produce anywhere near 2,800 jobs.

Hon. Mr. Grossman: The point is the effective date of the guarantees with regard to jobs was 1983. You know very well that Ford started production at that plant earlier than they thought they would and that there are, what, about 1,200 people working at that plant today?

Mr. Cooke: It is 700 and something.

Hon. Mr. Grossman: Both office staff, salaries and—

Mr. Cooke: I was told 700 and something.

Hon. Mr. Grossman: Whatever the number is, there are people working there today whom no one expected to be working there for another year and a half. Those people would never have been working there but for the involvement of government.

In January 1981 the Premier introduced the Board of Industrial Leadership and Development, a five-year, \$1.5-billion government commitment aimed at creating jobs, increasing output and improving productivity. In the 10 months since its introduction, my ministry has already been allocated funds for 15 major projects, flowing \$194.7 million to firms across the province. Literally hundreds of firms have benefited directly, and the entire province will benefit indirectly from initiatives in applied technology, tourism promotion, new tourist attractions, upgrading of facilities, economic development for smaller communities and international marketing expertise.

Funds allocated to date include biotechnology centre, \$30 million over 10 years; community development corporations, \$600,000 over three years; Ontario Research Foundation expansion, \$1.6 million; international marketing interns, \$7.5 million over five years; tourism upgrading program, \$5.5 million over two years; tourism marketing, \$10 million over five years; Telidon information system, \$5 million over two years;

Toronto and Ottawa exhibition studies, \$450,000 this year; Ottawa convention centre, \$10.8 million; Metropolitan Toronto convention centre, \$27 million; procurement policy initiatives, \$250,000; high technology equity fund, \$50 million over five years; export support, \$25 million over two years; food processing support, \$20 million over five years; and extension of tourism redevelopment incentive program, \$1 million.

Investment is obviously critical to economic growth and security of employment. Despite difficult worldwide economic factors, Ontario manufacturing investment in 1980 was up 34.5 per cent and a further 29.1 per cent is indicated for 1981. I think there is an update on that figure available now. During 1979 and 1980 about 450 companies announced new manufacturing projects in excess of half a million dollars. These projects will result in \$8.7 billion worth of manufactured goods or 5.2 per cent of Canadian shipments.

Over the past year and a half my ministry's initiatives to increase investment included help for firms looking for plant location sites, affecting 4,424 jobs and \$221.3 million in investment. It also included help through our foreign and domestic offices for 76 foreign firms looking for plant locations, joint ventures and licensing arrangements, producing \$44.2 million in plant investment in that area alone.

As well, there was help for 49 firms seeking profitable mergers and acquisitions, affecting \$32 million in sales, and a comprehensive package of sales material for our international offices to help interest foreign investors. There was a new automated system to provide a variety of sourcing information for inquiries from Ontario manufacturers, especially on auto parts and defence offset opportunities.

In addition, there was specific encouragement for automotive parts manufacturers in Japan and Europe to choose Ontario sites for North American plants; advice on development and land use; promotion assistance; training through the University of Waterloo and information on international joint venture and licensing opportunities for Ontario's municipal industrial commissioners.

Mr. Cunningham: The advice wasn't on South Cayuga, was it?

Hon. Mr. Grossman: No. We were not involved as a ministry in that. But we badly need that type of facility for industrial development, don't you agree?

Mr. Cunningham: Why one facility? Why would one community be the repository?

Hon. Mr. Grossman: Drop into the Ministry of the Environment's estimates. You may enjoy it.

There was assistance for 750 Ontario manufacturers to locate specific technology investment partners overseas. Also, there was coordination of a mission of industrial commissioners to the Hanover Trade Fair in Germany to promote joint venture and licensing opportunities between Ontario and European manufacturers.

We are also encouraging Canadian subsidiaries of multinational firms to specialize in a limited range of products with economies of scale to compete in world markets. This mode of operation, called global product mandating, offers potential benefits not only to the foreign-owned firm but also to the Ontario economy.

12 noon

We asked senior executives of some of the most successful multinationals to form a committee to provide our government with recommendations on practical steps we could take to encourage more multinationals to adopt such a strategy in Canada. The report of that committee, chaired by Lorne Lodge, chief executive officer of IBM Canada Limited., emphasized that more effort is required to develop the necessary flexibility and environment that will lead to the adoption of specialized missions in accordance with the unique characteristics of individual multinational enterprises.

To that end, we have established two ongoing working committees the report recommended. First, the specialized mission adaptation committee, representatives of government and multinational firms will identify ways in which we can work with multinationals to adopt specialist mission strategies in their Canadian operations. Secondly, the multinational sourcing committee, representatives of multinational firms, the Canadian Federation of Independent Business, the Canadian Advanced Technology Association and my ministry will develop practical measures to increase purchasing from Canadian businesses.

Next is identifying energy opportunities. Rising energy costs and the search for new alternatives will create major new business opportunities in energy-efficient products and technology. The export and employment potentials are also significant. Already estimates show a \$300-million North American market in solar applications alone in the next year.

New technologies will be required in major fields, such as transportation and the manufac-

ture of alternate fuels. Consumer and industrial interest in energy-saving ideas will enable Ontario companies to capitalize on these opportunities. But new technologies and implementation of energy conservation measures usually require front-end financing that is often not feasible for an individual company. By providing a resource of information on the present technologies and by making funding available through a new joint program with the federal government, the ministry is actively helping Ontario business people develop and market new energy-saving ideas.

Cutting energy costs takes capital investment. Under the \$10-million conservation and oil substitution program, grants up to \$50,000 are provided to manufacturing plants to replace or convert oil-consuming furnaces or equipment or to implement other energy-saving measures.

Mr. Boudria: A trickle when compared to Suncor.

Hon. Mr. Grossman: The program also covers 50 per cent of the cost up to \$1,000 for advice and a written report by an Ontario professional engineer to provide an energy-saving implementation program. Since the program was started a year ago, 451 Ontario establishments have received grants totalling \$5.5 million for projects costing \$25 million. The total amount of heating oil saved under conversion projects is 88.2 million litres. In addition, energy conservation measures implemented have saved about \$10 million; the equivalent of 51.6 million litres of oil.

To help manufacturers identify energy savings, the ministry conducts an energy bus program throughout the province that provides a computerized assessment on site of potential energy savings. Through this program 1,500 firms have been audited. Under a five-year Ontario-Canada program, \$58 million is available for demonstration projects that help develop, demonstrate or promote the use of promising new technologies for both energy conservation and renewable energy.

My ministry offers an advisory service provided by consultants in its energy projects group. The consultants will answer questions by industries concerning various types of energy-conservation technologies and their application. In January I announced the extension of these energy conservation programs to include tourism operators.

In conclusion, I would like to say, as we move further into the 1980s, there is no doubt we are

sharing with the western world a difficult time. When I look around the world at other industrialized nations, such as the United States and countries in Europe, I feel we as a province are doing remarkably well in these difficult times. While the recession is lasting longer than world experts would have predicted, my ministry has taken steps to try to maintain Ontario's prosperity and to try to ensure its growth in the future.

This will continue to be a difficult task with a lot of uncertainty involved in it. None the less, I have tried today to outline some of the initiatives we have taken to combat these current pressures in order to help international trade and industrial development and to continue to attract tourist dollars. I can assure the members of the committee we will continue through programs such as these to try to build on our strength so we can capitalize on our opportunities.

Mr. Chairman: By agreement I believe the committee has determined it is going to conclude this afternoon at 12:30 and we shall resume the estimates at 8 p.m. today. We can move to Mr. Cunningham now, if you would like, with his opening statement.

Mr. Cunningham: I appreciate the minister's provision of what I consider to be a very comprehensive document to initiate these estimates.

Before I begin with my less comprehensive contribution, I should like, for my part, to welcome Bernard Ostry to these estimates. I am not sure about the concern expressed, at least in the media, about some perceived political persuasion he might have. It did not bother me at all. For my part, I am glad to see he is here.

It is obvious, from my point of view, Ontario is on the verge of a major economic decline. I should say, at the outset, I take no particular pleasure in making such a statement. Sadly, it is the harsh fact of reality. I sincerely believe the government has been aware of major economic indicators that should have been cause for specific action long ago.

Every day, with few exceptions, we read or hear of layoffs, closures and shutdowns. Today in the car I heard there would be an indefinite layoff at Mack Truck in Oakville. It would appear sometimes the busiest people in business are the bankruptcy receivers and the bankruptcy lawyers. The combination of high interest rates, high taxes and the general decline in retail sales has most small businesses on the ropes.

In addition to that, new business develop-

ment has literally been put on hold. It is simple for the Minister of Industry and Tourism and his colleagues in cabinet to lay the blame squarely in Ottawa for these difficulties. Much of it can quite fairly be directed to the federal government, but in my view that simply is not good enough.

It is not good enough to tell the farmer or the small businessman there is not an adequate level of funding assistance available when massive amounts of provincial money are spent on advertising programs that are not necessary: the expansion of things like Minaki Lodge, the purchase of a jet and, more recently, the acquisition of a 24 per cent interest in Suncor that likely will cost the taxpayers over \$3 billion in the next 10 years.

It was interesting to note Premier Davis, when announcing the last election, was asking for a mandate to keep taxes down. Two months to the day after his successful election his government presented a budget that increased the cost of OHIP, increased provincial income tax, increased the cost of beer and liquor and fuelled inflation significantly through the imposition of the ad valorem gas tax.

Mr. O'Neil: Shameful.

Mr. Cunningham: It is painfully obvious through the last budget that, as a result of decades of mismanagement, the options available to the government are few indeed. Any cab driver in the city of Toronto who puts gas in his own car, or a waiter working in a pub on Spadina, could predict what an Ontario budget holds for them: increased tobacco taxes, liquor taxes, beer taxes, increased gas taxes, OHIP, personal income tax and, invariably, an increase in the provincial deficit.

The harsh fact of reality is that the Ontario economy is in trouble and the current government lacks the will and desire, if not the knowledge, of what to do to extricate us from the mess we are in.

It could be argued successfully that the federal government is somewhat oblivious to the problems associated with high interest rates. They, and I say this in a nonpartisan sense, have contributed more than anything else to the recession we now face and the high level of unemployment that is a painful reality for so many Canadians that want to work. Unfortunately, because of misplaced priorities, both levels of government are in a position where there is little that can be done except to wait things out and hope the American economy comes around.

I realize the responsibilities of the minister and his associate the Treasurer (Mr. F.S. Miller) are to provide encouragement to the private sector and generally to convey as much optimism as possible. That optimism is not well placed in most communities in Ontario.

The automobile industry is a mess. McDonnell Douglas has just had a layoff of an additional 550 workers, leaving 2,300 people out of work. Almost 2,500 men and women are out of work as a result of Canadian Admiral. While the Stelco strike appears to be settled—I hope it is settled today—four months of walking the picket lines means significant layoffs for hundreds, if not thousands in my own community.

12:10 p.m.

The farm manufacturing community is yet another sad story. International Harvester, Massey-Ferguson and White Farm Equipment are all facing very real economic difficulties. The only way for a small business to survive is to work harder, spend less and possibly hope and pray. In my constituency last week, Mr. Minister, I helped cut the ribbon on the opening of a new part of a small business. I do not have the experience you have at ribbon cutting yet and I may never have.

The Acting Chairman: How did you make out?

Hon. Mr. Grossman: I would have been pleased to help.

Mr. Cunningham: I held up my end, I want you to know that. The minister might be interested to know they manufacture rocker arms for the North American car market. They have managed to expand their facility and, to the best of my knowledge, without the assistance of the provincial government. I have many small businesses in my constituency. The owner of this company had his back to the wall and was fortunate to survive. When he needed help from the provincial government, it appeared nothing was forthcoming.

Not that long ago I got a call from a constituent, a small businessman, striving to stay alive in the face of increased taxes. He wanted to know whether or not we had a vote on the purchase of the Premier's new jet. Naturally, I advised him one of the realities of March 19 was the Premier could buy just about anything he wanted. Never did I expect in my wildest dreams that would include our questionable involvement in Suncor.

It is exceedingly difficult to explain to anyone, especially a worker who has been laid off or

a small businessman who might be in trouble, why their hard-earned taxes should go to such questionable investments. It must be exceedingly difficult to explain why the Ontario government would pump millions, up to approximately \$80 million, into the Urban Transportation Development Corporation, a crown-controlled company and its subsidiary Metro Canada. It has embarked on a mindless quest to sell a form of technology that has been neither proven nor economically viable to compete with the private sector at their expense.

At this very moment over 1,200 people at Hawker Siddeley in Thunder Bay—and this might be of interest to my friend Mickey Hennessy—have been laid off at the same time that the Ontario government continues to push its form of a wild mouse. I was interested to note there was no mention of the Urban Transportation Development Corporation in the minister's opening statement.

Hon. Mr. Grossman: Drop in at Jim Snow's estimates.

Mr. Cunningham: Both you and your government cannot be taken seriously when you give private enterprise speeches to Rotary clubs and chambers of commerce and then pump millions into an outfit like the UTDC. Then the UTDC competes with companies like Hawker Siddeley in the diminishing transit market.

I should digress and tell the minister about a little meeting we had in the city of Hamilton last night before regional council. Something like 80 briefs were presented to council, 30 or 31 of which were presented verbally. All but two were opposed to this system, a system that will cost \$141 million if it is imposed. I will tell you if it is imposed that fact will have a lot more to do with the results in any by-election than you are anticipating in Hamilton West than anything you could imagine. What must be a humbling process, for even this minister, is the public recognition that things are wrong within our economy.

The contrast in economic prosperity between the Robarts era and the Davis era is very real. Under the stewardship of the previous premier, we were in the driver's seat as a province. Economic and political clout was ours and we were respected. No matter how pretty a picture the minister cares to paint, Ontario is in trouble.

To be fair, the cost of energy and the cost of money are major problems inhibiting economic development in Ontario and anywhere else in Canada for that matter. But when the provincial Treasurer makes speeches on inflation, it is

hard to take him seriously. The introduction of the ad valorem gas tax more than anything else is an indication of Mr. Miller's willingness to live off the avails of inflation, especially as it relates to the price of petroleum.

Every time the price of petroleum goes up, citizens in Ontario are hit three ways. We pay more for the fuel itself, we pay more in taxes to have it in our province and, finally, we pay through the nose on the ad valorem gas tax itself. In essence, the government has institutionalized the inflationary aspect of the price of petroleum.

The recent tabling of the secondary education review project verified something that chambers of commerce and opposition parties have been saying for some time, namely, that we have a tremendous shortage of skilled workers in Ontario. With youth unemployment as high as it is in Ontario, it is shameful that Ontario companies will have to go to Europe to find skilled workers. At the very same time, successful programs in our community colleges are curtailed because of inadequate fiscal resources.

I digress again to tell you, Mr. Minister, that we need help at Mohawk College. We could use some assistance at McMaster. Our high-tech program at Mohawk has a success rate of 100 per cent, and I commend the government for it, in finding jobs for people. They are sought almost like the amateur football draft before the start of the National Football League season. These people are guaranteed jobs almost before their courses are completed.

The reality, of course, is that there is a waiting list as long as your arm to get into the program. For every graduate we can provide from that program, there is often an employer in our own community waiting to hire him.

I think nothing speaks to that problem more specifically than an editorial that was in the *Ottawa Citizen* on November 14, 1981, for which I am obliged to my friend M. Boudria. The editorial is entitled, "Dithering Away Jobs." I am sure the minister has probably seen it; Claude Bennett probably brought it in to him.

The editorial reads: "The Ontario government must think the high-technology industry has blossomed overnight. The other day Industry Minister Larry Grossman claimed that high-tech industries have to import skilled workers because it takes three to four years to train workers for jobs that need filling now. Okay, why weren't training programs established in the mid-'70s when the growth of the

electronics industry was predicted by everyone in the business? If the training programs had been started then, we'd have adequate numbers of Canadians available for today's jobs, instead of importing skilled labour when our unemployment rate is soaring.

"Grossman's answer to that was absurdly cautious. Establishing training programs 'means one has to forecast with 100 per cent accuracy what the job skill demands are going to be in 1985 in order to begin to train them today.' Good old conservative Ontario. Don't take any chances. Is it any wonder that the economy of the province is suffering from a lack of foresight? Is it any surprise that Ontario is undergoing 'deindustrialization'? The wealth of Canada is flowing west into new ventures, while Ontario subsidizes wheezy old industries and dithers about the future.

"The mossbacks in the Ontario government cannot pretend they weren't adequately warned. One John Robarts, who had a turn at steering the province for a while, noted in 1965 that 'future growth in Ontario may be hampered because of skill shortages rather than by displacement of workers by sophisticated machines.'

"If we go back a few more years, we find that a royal commission on industrial training and technical education bemoaned the lack of effective training and education for skilled workers and technicians. Of course, that commission was not talking specifically about high technology because it reported in 1913.

"As part of its BILD program, the Ontario government proudly announced the creation of a high-technology microcentre. The centre will help small electronics industries through the research and development of special parts, and that is welcome assistance from the government. But that's hardware when the industry really needs software in the form of educated Canadians who can fill the jobs that are available.

"A year ago the science council was estimating that this country would need 16,000 more scientists and technicians by 1983, a number that the colleges and universities cannot possibly produce. The high-tech industry estimates that it could provide jobs for as many as 100,000 people in the Ottawa area by 1990—if it could find them.

"Unfortunately, the industry's growth will be limited by a lack of skilled workers. It's ironic that the only way Canada can challenge the rest of the world in the electronics game is by going outside the country to hire skilled workers. We

have a glorious opportunity to compete in a brand new industry, but we are already falling behind because our nearsighted politicians hadn't the foresight to develop training programs for the workers we need."

That is from the Ottawa Citizen. It used to be a Conservative paper.

Mr. Boudria: They saw the light in the last election, though.

12:20 p.m.

Mr. Cunningham: From a statistical point of view, the evidence of Ontario's decline is well documented. As of April 1981, the Conference Board in Canada statistics relating to economic growth puts Ontario second last in Canada with 1.9 per cent growth, 0.5 per cent ahead of Prince Edward Island at 1.4 per cent. Capital investment is regularly directed westward and, to some extent with the purchase of Suncor, southward.

Last year average personal income slipped to third position behind that of Alberta and BC, and last year 30,000 workers lost their jobs permanently. Sadly, we have every expectation that this figure will increase this year and next. If the trend in the loss of manufacturing jobs continues, it will only be a matter of time before there will be a commensurate loss of work in the service industries.

It is important to know that approximately 33 per cent of the Ontario work force was employed in manufacturing in 1967. In 1977 that figure was reduced to 26 per cent, and I hesitate to think what it might be in 1987. It is becoming increasingly popular to cite the woes of the Canadian economy. Again, I say I do not take great pleasure in it.

I refer you to three recent magazine articles which will spell it out for everybody else in Ontario, if not Canada. They are *The Decline of Ontario*, which appeared in *Today Magazine*, September 19, 1981; *Alas, Poor Ontario* in *Quest* magazine, October 1981; and *The Politics of Anaesthesia*, *Saturday Night*, 1981. I think that had more to do with lulling the Ontario public to sleep during the last election than it did with our economic decline, but it was a meaningful article none the less.

The Acting Chairman: Is that Anastasia or anaesthesia, just for the record?

Mr. Cunningham: I do not know; it all seems pretty anaesthetic to me. Each article, unfortunately, chronicles the steady decline of Ontario from a have province to a have-not province.

For example, Ontario now ranks tenth and last of all provinces in several key areas which measure economic growth.

Mr. Boudria: We have heard that expression before.

Mr. Cunningham: We did and, unfortunately, it is right. That is the sad part of it; unfortunately, we were right. We told the truth and perhaps the truth hurts.

We were last in the growth rate of personal disposable income; last in the growth rate of per capita income; last in the growth rate of wages and salaries per capita; last in the growth rate of public investment; last in the growth rate of residential construction; last in the growth rate of manufacturing shipments; last in the growth rate of value added per capita; and last in the growth rate of gross provincial products per capita. Those are very sad comments indeed.

Hon. Mr. Grossman: And inaccurate, but continue.

Mr. Cunningham: There is little doubt that the one primary industry that is hurting in Ontario is the manufacturing industry. While more than half of Canada's manufacturing output comes from Ontario, real output in manufacturing has declined considerably in this province versus the rest of Canada. This is especially important when one considers the recent Ontario Economic Council report, which estimates that if the province does not take some immediate action to rectify the deterioration of the manufacturing base, Ontario will lose 44,000 manufacturing jobs by 1990.

There are 27,000 more unemployed persons in Ontario this October than there were in October 1980, notwithstanding all the grants that we have been giving out. With all the recent layoffs, this figure is expected to climb dramatically when the data becomes available, which I believe will be within the next day or so. It is also distressing to note that while there has been an increase in the number of jobs in Ontario in the last year, more of these jobs were created inside Metro Toronto than in the other regions. This further documents the steady decline of the Ontario economy and substantiates the claim of Richard Thompson, chairman of the Toronto Dominion Bank that "Outside of Toronto, the Ontario economy is in real trouble."

Between 1966 and 1971 Ontario's net population growth through interprovincial migration was 150,000. Between 1971 and 1976 Ontario suffered a net loss of 28,500 persons to other

provinces. In the last two years alone 37,000 people have left Ontario, mostly to seek employment.

Another key economic indicator of significance when determining the decline of the Ontario economy is the number of layoffs. It is interesting to note, in keeping with the theme of the decline of the Ontario economy outside of Metro Toronto, almost 70 per cent of the layoffs in November occurred outside of Metro.

There is a list here. I was going to read them to you, Mr. Minister, but I do not know that it would be particularly constructive and it would certainly take a long time. I will just go through some of the companies for you. The list includes Massey-Ferguson, Admiral, Budd Automotive, Shop-Rite, General Motors, W. C. Wood, Camco Incorporated, Robertshaw Controls, Rockwell International, laying off indefinitely or permanently 47 people, B. F. Goodrich, Butler Metal Products, Biltmore Industries, Fiberglas Canada, MacMillan Bloedel, de Havilland Aircraft, McDonnell Douglas, General Electric, International Harvester, Chrysler, Ford, Mack Truck as I mentioned, Stelco in my own community—and Amco, the member for Prescott-Russell advises me.

Mr. Hennessy: Mr. Chairman, also Can-Car in Thunder Bay.

Mr. Cunningham: I think that member is going to have a lot to say about it and I likely will not be at variance with his view on the subject of it, but I anticipate what he is going to say.

Many of the programs that were articulated in the BILD program are not mentioned in the BILD update we have been given, or, in my understanding, have been given final approval. These include the Auto Parts Technology Centre, the Microelectronics Development Centre, manpower training during economic downturns, apprenticeship programs in the Ontario public sector and the library development fund.

Many of the programs to which the minister referred are, frankly, old money, that is, they were announced prior to BILD and would have commenced regardless of BILD financial assistance. For political reasons I do not fault the minister for trying to put a good face on it, but the reality is that the Toronto convention centre, involving \$27 million, was a fait accompli, as was the Ottawa convention centre of almost \$11 million and the radial road improvements for \$125 million.

The intermediate capacity transit system announcements in both Hamilton and Toronto were announced and contemplated long before

the advent of BILD. It is our hope in Hamilton that the ICTS program does not become a reality.

One point on that, and I digress for you, Mr. Minister, it is interesting to note that, through the October 15 TTC staff report I had occasion to send over to the Minister of Transportation and Communications (Mr. Snow), it is apparent now that since January the estimated cost of that lakefront ICTS program has gone from \$100 million to somewhere in the area of \$171 million, which is an absolutely, totally incredible increase. If that is the way the figures for that particular program are going to escalate, I really wonder about the competitive feature of that program.

As you will see, these items represent almost half the total BILD commitment by the provincial government over the next five years. In addition, there are a variety of programs that now fall under the BILD label that were previously administered, or at least planned for, by other ministries.

Several of the programs in BILD are to be administered by the Ontario Development Corporation. This means that they are loans to companies or individuals which will have to be paid back. It is not accurate, nor is it fair, for the Treasurer to say, therefore, that the province will expend \$750 million on BILD when clearly it will recover a portion of that money.

This, I believe, is the most important aspect of the BILD argument. It is my understanding from federal officials that they have not been formally approached by the Ontario government with concrete proposals about federal government assistance for BILD programs, with the exclusion of the Biotechnology Centre which is already under construction, but which was planned before BILD anyway. You will recall that Mr. Miller recently chastised the federal government about its lack of assistance. Clearly, it is the fault of the Ontario government by its inability to formalize BILD programs that is responsible for the lack of federal involvement to date.

Tied to the above point is the fact that many of the BILD programs have not been announced because they are currently undergoing examination by outside consultants. The implication here is that the government has already announced the programs. Should the feasibility studies find the programs inappropriate, will they be discontinued?

The last point I would like to make about BILD—and I do not fault the minister for it

because he seems to be carrying the can for it—is that there has never been any indication as to the number of jobs that will be created as a result of the BILD programs. A policy of announcing the program before finalizing or even beginning any of the planning does not say much for the BILD document or the government's sincerity over an industrial strategy.

Before I conclude, Mr. Minister, I would like to get into some comments about Ontario's finances because, more than anything else, they restrict the ability of this ministry to perform. The final theme touches on Ontario finances. While we are going through the estimates process right now, my caucus is involved, I hope, in extracting some information on the subject of Suncor. For my part, had I been there, I would have been interested to know how we arrive at the conclusion that we are going to obtain a 15 per cent return on investment on that particular involvement after the cost of borrowing. I am not there, so I am going to have to ask my caucus colleagues, the balance of whom are all there, I assume.

Mr. Cooke: You will not get any more answers than we did.

Mr. Cunningham: I anticipated that and that is why I am here.

Mr. Boudria: We have better questions though.
12:30 p.m.

Mr. Cunningham: I think the purchase of Suncor must put into very real perspective the priorities of the government, especially as it relates to the creation of jobs. With the Suncor purchase our debt has gone up significantly. Our net cash requirements by the revised outlook would be something in the area of \$1.466 billion, which really would be enough to put our friend Darcy McKeough off his lunch if he were still here. Mind you, were he still here, that figure might be a little lower because I think he probably would have unloaded the Urban Transportation Development Corporation by that time.

This increase in net cash requirements of \$469 million is going to be financed from internal nonpublic sources of borrowing, which usually means the Canada pension plan. I defer to my friend the member for London Centre (Mr. Peterson) on matters relating to pensions, but it would appear that one of these days the federal government is going to call that note and expect repayment of the deficiencies we have worked up through our borrowing on the CPP. When that day comes, we are really going to be in trouble.

It is my understanding that we are currently paying—this is a relevant figure, I think, for the minister, who must see many good programs come to his ministry and, unfortunately, they have to be turned away because there are not the financial resources to deal with them—approximately \$8.2 million per day in interest alone. That includes Ontario Hydro's debt for which we are responsible as a province. That is an absolutely astounding figure. Every time we have to say no to what appears to be a good program or every time we have to cut a program back, we should contemplate the amount of money we are dedicating at the moment for debt retirement.

Contemplate for a moment the kind of assistance you could provide with that kind of money in terms of tax concessions or incentive grants to small businesses and to people in the agricultural community. It could be a full-time job for this minister just going around delivering cheques and cutting ribbons. Sadly, as I have said before, as a result of financial mismanagement, in my view we now lack fiscal flexibility.

I am well aware that the minister says it is easy to criticize and ask what we would do. I have indicated quite briefly some areas that I would not spend money on. A further area is the \$140 million for the proposed transit system in Hamilton.

Simply put, I do not believe that any level of government can spend its way out of problems, nor can it continually increase taxes to supply what appears to be an insatiable appetite for money.

The Acting Chairman: Mr. Cunningham, if I could interject for a moment, our time for this meeting has expired. I wondered if you could find a convenient place perhaps to terminate your statement for now and resume at eight o'clock.

Mr. Cunningham: I can terminate it right there.

The Acting Chairman: That is fine. We have now reached the hour of 12:30, which is the agreed time at which we were going to complete this morning's session. We apologize to Mr. Cunningham for cutting him off at this point. Do you wish to have the floor, Mr. Cunningham, when we come back at eight o'clock?

Mr. Cunningham: Yes, I do.

The Acting Chairman: The schedule then will call for Mr. O'Neil to follow Mr. Cunningham with respect to his response on tourism, and then we will go to Mr. Cooke from the NDP.

Mr. Cooke: Mr. Chairman, may I just make a suggestion? I know it is acceptable to the Liberal critics. Tonight when I conclude my statement, if there is any time left we could perhaps go into tourism for a while. That is the format we followed last year. After that, if it is acceptable, I would like to stay just on the main vote. We do not have that many hours and there will be members from our caucus, as well as from the Liberal caucus, who would like to come in and it is difficult to schedule them under the proper vote. We could then just pass the estimates on completion. I think we will finish next Wednesday. Is that acceptable?

Mr. Hennessy: Mr. Chairman, I would like to make a statement myself if there is any time left.

Hon. Mr. Grossman: I would not have any objection to that. I was just worried that at the conclusion of your remarks and a modest response by myself this evening there may not be enough time for tourism.

Mr. Cooke: Then we will get into tourism on Monday or whatever day. That would be the approximate schedule. Then we would stay on the main vote for the rest of the time.

Hon. Mr. Grossman: That will be fine.

The Acting Chairman: I would advise that we are meeting next week on Thursday, not on Wednesday, so that there is no confusion as to the days.

Mr. Cooke: Monday and Thursday?

The Acting Chairman: We will be meeting Monday night as well, yes.

Mr. Hennessy: I would just like to make sure you keep in consideration the request I have made.

The Acting Chairman: We will certainly put you on the list.

The committee adjourned at 12:34 p.m.

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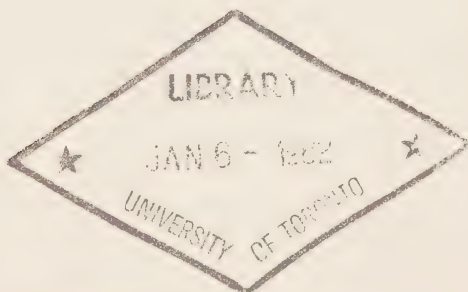
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Standing Committee on Regulations and Other Statutory Instruments

Estimates, Ministry of Industry and Tourism



First Session, Thirty-Second Parliament

Thursday, December 3, 1981

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Thursday, December 3, 1981

The committee resumed at 8:04 p.m. in committee room No. 1.

ESTIMATES, MINISTRY OF INDUSTRY AND TOURISM

(continued)

Mr. Chairman: Gentlemen, I see we have a quorum. We will get started. I understand we are part way through Mr. Cunningham's opening statement.

Mr. Cunningham: Mr. Chairman, since my colleague the member for Quinte (Mr. O'Neil) has a contribution to make tonight, and since the critic from the third party certainly would like to express his views, and mindful of the fact that there is an National Football League game at 9 o'clock, I am going to make my remarks very brief.

I was saying before we left that I did not believe any level of government could simply spend its way out of problems, nor could it continue to increase taxes to supply what I consider to be an insatiable appetite by government for money. I sincerely believe that, for the most part, the policies that my party espoused during the last election were valid and, for the record, indicate we are able to put forth some alternatives.

We are committed to the provision of economic security through a strategy to revive Ontario's industrial base while protecting Ontarians from hardship and, as well, to the maintenance of social responsibility so that social needs are not neglected and essential public services are not eroded. In other words, we are committed to a decade of economic and social renewal. I do not believe that can be done when the product of our limited tax base is expended on what I think may be fairly characterized as nonproductive entities.

Our program could be achieved, in my view, without raising taxes by eliminating the element of waste and by reordering our priorities. We would govern according to three basic principles: one, that the government has a responsibility to plan ahead for the future and not sit back and

drift and wait to be overtaken by events; two, that government has a responsibility to meet essential social needs while encouraging economic revival; and, three, that government must serve as an active ally to help strengthen our Canadian-owned manufacturing base to make Canadian business competitive in the world.

I wish to refer to the recent Stelco strike in Hamilton, which members are no doubt aware was the longest and perhaps the most bitter strike in the history of collective bargaining in that company. Yet, sadly, after these four months approximately 1,500 people, and possibly more, will find themselves laid off. There is something perverse about going on strike for four months only to be laid off with little prospect of being recalled. I need not elaborate on the effect that will have as it ripples through my community in Hamilton, but it is going to be severe indeed for the suppliers and for the retail sector in the Hamilton area.

Perhaps the time has come for the Ontario government to involve itself in a more meaningful way in the settlement of strikes and walkouts in the private sector. One suggestion I might make, which I think could be a worthy one if somehow we could involve the private sector in it, would be final offer selection. I am reluctant to see government involve itself in the collective bargaining process, but something must be done when we see strikes of this length and this magnitude.

The events of the Stelco strike prompted our chamber of commerce to write an open letter to the Premier (Mr. Davis) to suggest his active involvement to see that strike concluded. This was done through a former Conservative candidate, Mr. Carter, who is known to the minister. He is a very successful car dealer in town. I am sure he was not prompted by his own self-interest but acted in the best interests of the community. While the strike may be history, it is a sad one for many people, not only shareholders but the thousands of workers who probably lost their life savings. It may take years to recover from the disastrous effect the strike had on the whole economy.

I believe that in a sector of the economy as important as the steel industry there may be a role for governments to play in either mitigating the effect of these strikes or in providing leadership for settlement purposes. I believe that final offer selection is a mechanism that we could explore through something like a labour court. I leave that with you and hope that possibly some time, through the Ministry of Labour, that kind of thing could be developed.

8:10 p.m.

Failure to do this will do nothing to discourage strikes and may discourage future industrial development in Ontario. If the business climate in Ontario is such that it is developed on an adversarial basis and is fraught with strikes and labour disruptions that cannot be settled in an orderly or fair way, it may prove to be a very real disincentive to industrial redevelopment and to industrial investment by others in our province.

To conclude, Mr. Minister, I would like to put on the record some concerns I have about the ad agency you have selected. They have done a marvellous job for your ministry, and most certainly for the Conservative Party, over the years.

Mr. Boudria: Do they have a good jingle?

Mr. Cunningham: Marvellous, sir.

I find it offensive that we do not go through a more competitive process in Ontario in the selection of our advertising agencies. I realize that it might not be appropriate to call in every advertising agency in Ontario and encourage them to make a pitch for the Ontario account or the Industry and Tourism account, but there is something repugnant when we involve the same agency year after year. We go through some charade of an evaluation or selection process. I think the clocks in the building would stop if Camp Associates Advertising Limited were not chosen as the ad agency for the ministry, or if through some quirk or machination Foster Advertising Limited were not the agency of record for Ontario.

We make painstaking efforts at most levels of government, particularly the school boards and municipalities, to determine that road salt is tendered as well as the trucks which would put that salt on the highways. For the most part the Ontario record has been a good one in the supply of materials, goods and services.

I am not so cynical as to say that you have to be a Tory, or even a contributor to the Tory party, to do business in Ontario. I do not believe that is consistent with fact or with the record.

But it is a little disturbing to see the large amount of money that is directed to both Camp Associates and to Foster when we look at the role those two agencies play in the political process.

Mr. Minister, I sense that while you have ambition, there is an element of sincerity in the discharge of your responsibilities, and you might want to pursue this matter at the cabinet level. In any case, I leave that with you. I also thank the members of the committee for their indulgence.

Mr. O'Neil: Thank you, Mr. Chairman. I congratulate the new deputy on his appointment to this ministry. He comes to it very highly qualified. Although we critics of both opposition parties are quite critical at times, I think we try to direct our criticism in a constructive manner. We are all interested in the wellbeing of both industry and tourism in Ontario. I assure the deputy that we wish him well in his job. We are all very pleased that you are part of the government, sir.

I also pay tribute to John Eakins, the member on my right, who was the critic for tourism for a number of years. He spent many hours on it and has made a lot of excellent contacts both with government staff members and the tourism industry across the province. He has worked very hard. I am fairly new at this. I have relied on him for help, and will continue to do so in future.

I am happy to see the minister recognizes that tourism will move up from its second position to become the province's largest industry by the year 2000. We have stressed this in recent years because of the significant implications it has for planning for the future of that sector. I am also glad to see the minister referring to tourism as a winner, because that fits in with the statement he made when he took over this ministry that he intended to back winners, and tourism is indeed a winner.

I also congratulate John Laschinger on his appointment as assistant deputy minister for tourism. I hope he displays the same enthusiasm for this position as he has in the many other roles he has assumed in the ministry. I trust this move is also an indication of a more aggressive stance by this ministry in relation to the tourism aspects of other ministries in this government.

One of the factors we have stressed for a number of years is the need for a co-ordinating influence over decisions affecting the tourism sector which are made in as many as 14 different provincial ministries. Traditionally, a small

business sector lacking a powerful voice at Queen's Park, the tourism industry has suffered the consequences over the years of bureaucratic overlap. Any move to lessen that over-regulation and give some representation to the tourist operator in the process is welcome.

I would like to say a few words on the BILD initiatives. The provincial government has announced with great fanfare the increases in promotional funds being allocated to the tourism sector, with some particular initiatives for the north. While the promotional aspect is one of the most important roles for government in this sector, I wonder what advances have been made on the operational side of the industry to try to assist the small and large businessmen in the management of their facilities.

This relates directly to my previous comments on overregulation. You can spend all the money you want to advertise an industry such as tourism, but if the individual operator is stifled in his efforts to run his business effectively and profitably, those promotional funds will not mean much to him at all. This underlines the need for a strong spokesman for the tourism sector at Queen's Park, one who in the first instance is cognizant of the problems faced by the tourist operator and, secondly, who will be his representative in the face of these 14 different government sectors which are all making decisions that may in some way affect him.

I understand that at the recent Northern Ontario Tourist Outfitters Association convention, the minister asked delegates if the year had been a good one. While the response to that was generally positive, it was reported that many operators later clarified that while their bookings were satisfactory, their real profit was slim. This was attributed to higher salaries, higher prices for food and fuel and higher interest rates. Given that these variables are not likely to decline, the individual operator will have no alternative but to increase his prices to cover increasing costs, and this could have a depressing effect on his trade.

The ministry might therefore give the same consideration to the cost of operating this industry as it does to the promotion of it. The consequence of little or no profit in any particular sector is little or no investment in that sector, and that would spell disaster for Ontario's tourism industry in the years ahead.

I will have some questions later on in the estimates about where some of these BILD funds are going in the effort to promote industry

in the province. I think this morning Mr. Cunningham indicated that we do not feel all the funds should be going to just the larger centres and that some attention should be given to promoting tourism with BILD funds in other parts of the province.

I take into account my own particular area and eastern Ontario in general. I know there has been quite a bit of criticism from some of the Conservative members in eastern Ontario about the lack of attention that has been given by the different ministers and their ministries. Even now we are waiting to hear from the officials in the BILD program about the application from the city of Belleville for a fairly large tourism establishment in that city. It is important that we try to promote tourism not only in the big cities, but in the outer areas as well. We regard eastern Ontario as one area where consideration should be given.

We would like to have an answer from the minister during the course of his estimates as to the current status of the Metro Toronto convention centre. It is interesting to note in the breakdown of funding for the convention centre, as outlined in the latest BILD document, the province is supplying \$27 million towards the cost, the municipal government approximately \$13.5 million, the federal government \$19 million and the private sector \$75 million. Yet it was the province for which the other sectors were waiting; the province seemed to be doing all the studies and the province wound up making all the announcements. This all happened when the province was actually supplying only some 20 per cent of the total funding. A board now has been set up to operate the centre under John Maxwell, I believe. I would like to hear a progress report on its activities, if possible, during the estimates.

8:20 p.m.

This morning we touched on the subject of Minaki Lodge. Even though you mentioned it has been turned over to the Ministry of Northern Affairs, I would like to receive an update on the current status of Minaki Lodge. I would like the minister to provide us with specific figures on the amounts spent so far by the provincial government and the amounts intended for future renovation. Are the renovations going according to the target dates? Are the original budgetary allocations being adhered to? If so, what is the latest proposal for the reopening of the lodge?

What facilities will the lodge have at its reopening and what will it not have? How many

jobs have been created during this construction period? How many permanent, full-time jobs and how many seasonal part-time jobs will be created when the lodge reopens? Can the minister supply us with any specific information on the anticipated operation of the lodge, such as the room rates and the length of its operating season?

I would also like to touch on another subject which I know was discussed by Mr. Eakins, who asked a question in the Legislature a few weeks ago on it, namely, the sales tax on accommodation. As the minister is aware, the exemption of this tax expires on December 31 of this year unless, of course, an extension is granted. At the time the question was raised, Mr. Minister, you did not seem to indicate the possibility that the tax exemption would be extended. In fact, even this morning you seemed to refer it back to the Treasurer. In other words, you seemed to infer it was something you could not grant but had to be granted by the Treasurer. I would like some clarification on how much you have lobbied with the Treasurer to try to have that tax exemption extended and just where we stand on that.

We have pointed out to you a number of times that tourists have a tendency to spend all the money they bring with them, and more when they use credit cards. Therefore, whatever money they do not have to pay in provincial sales tax would be spent on other things, which would thus inject more funds into the economy to provide further benefits through the multiplier effect. The spinoff effect in Ontario of the tourist spending dollar is one of the greatest stimuli to tourism. When he is allocating millions of dollars of BILD funds to stimulate the tourist sector, I would simply ask the minister why he would reimpose this retail sales tax on accommodation, the removal of which the government indicated has been a major factor in the recovery of our tourist industry.

Also, I would like to mention the sales tax on meals. Along the same lines, I would like to know the minister's views on the sales tax on meals over \$6, for much the same reason that any money not spent on provincial taxes will be otherwise spent in the economy. I would advocate that you, as the Minister of Tourism, give serious consideration to the revenue from this tax as opposed to the benefits the same amount of new dollars would produce in the economy, again given the multiplier effect of such spending. I would also like the minister to explain why he supports this tax at a 10 per cent level, while

all other items subject to retail sales tax are taxed at only seven per cent.

I know we have had representation, as have officials of your government, concerning the hours of operation for liquor establishments or restaurants and to extend those hours for earlier opening in the morning and later closing at night. During the course of the estimates I wonder if we might have your opinion on that or any plans you might have for the future.

Later in the tourism vote I intend to discuss the implication of the property tax reform proposals on the tourist industry in this province. If some of the property tax reform proposals based on market value assessment are implemented, they could spell disaster for many in the tourist resorts.

Any such tax reforms must take into account the fact that vacant land is one of the most valuable assets of a vacation resort. I would like to know if the minister has made such views known to the Treasurer (Mr. F. S. Miller), a man who should be well aware of the operation of a tourist resort. I have letters on file in my office, and I know Mr. Eakins has received several, as your officials likely have, from some of people in the tourist business whose tax has gone up, sometimes by 100 or 200 per cent, because of this tax structure that has been brought in in parts of the province. I would like your comments on that.

Also, I do not think I could go through the estimates without making some reference to the work that was done by our party and the Liberal task force on tourism, the great work that John Eakins and his people did when they travelled throughout Ontario. The report of this task force is a document that certainly seems to have stood the test of time. The validity of that report and its 24 recommendations is still being recognized by the minister as was evidenced in one of his recent speeches.

We mentioned two different initiatives intended to assist the tourism sector, one dealing with the promotion of northern resorts at sportsmen's shows, the other with input into locations of Ministry of Resources access roads for logging operations. Both of these factors were pointed out in our 1978 task force report which was supplied to the minister and various people in the ministry. I am happy to say that both successful initiatives taken by this ministry can probably be traced back to the recommendations in that report.

Mr. Eakins: When Larry Grossman smiles like that, that is approval.

Mr. O'Neil: It is constructive criticism.

Hon. Mr. Grossman: That was not criticism. You were applauding us for allegedly following your advice.

Mr. O'Neil: Do you not think you do sometimes?

Hon. Mr. Grossman: Sometimes we do.

Mr. O'Neil: It is the same as saying right now that when we make suggestions, you are going to sit there and not listen and not pay any attention to them. I hope that is not the case.

Hon. Mr. Grossman: You have proof positive we listen. You have not hit anybody yet with specific examples.

Mr. O'Neil: That is sometimes the problem when you get in with a majority; you do not really think that—

Hon. Mr. Grossman: Even with a minority we acknowledged it, right?

Mr. O'Neil: That is right, a little more. I have to agree, Mr. Minister, you have to become a little more humble to be great.

Hon. Mr. Grossman: I have been trying to tell your leader that for a long time.

Mr. O'Neil: You might have something to learn in that too.

In closing, may I say that in spite of all the best efforts of this provincial government the tourism sector still operates at a deficit. With the tourism opportunities this province has to offer, the last thing we should be faced with in our travel account is a deficit. Something is still lacking in provincial policy. I can only suggest that perhaps the minister should refer again to our task force report and implement some of the remaining recommendations that his ministry has not acted upon. They may prove to be the key in balancing the account in the tourism sector.

Again, dealing with that, might I say that when Mr. Eakins and many of our members went around the province, they met face to face with many of the people in the tourism industry all over the province. Sometimes, Mr. Minister, you are not able to do just that because of your schedule and everything else. We like to feel that if we do make certain criticisms, they are constructive. We are also interested to see the people in the tourist industry do well and to see the province do well. It all generates money for the province, which we need. I hope you will accept these comments in the way in which they have been given.

Mr. Cooke: Mr. Chairman, I will offer only one congratulation and that is to the new deputy.

Hon. Mr. Grossman: That is one more than we got last year.

Mr. Cooke: And one more than you will get next year unless you have another new deputy.

Mr. Brandt: In spite of all the success you are going to have, Mr. Minister.

Mr. Cooke: I am sure that after the deputy has gone through this set of estimates he will come to the same conclusion I have, namely, that one good step this year is that we have cut back the hours for the estimates for this ministry by about half. I think we put more work into estimates than practically anything else, but I am not really sure what good comes out of them. Sometimes there are specific suggestions made which are heeded. If the Liberals also want to take credit for tourism, any criticisms I have of tourism I can level against both the Liberals and the Tories, which makes me feel much happier. Anyway, I do have a prepared statement and I will begin to go through it.

8:30 p.m.

Since we last met to review the ministry's estimates, the economic health of this province has deteriorated considerably. Massive layoffs in Brantford, Windsor, St. Thomas, Chatham, Toronto, Cambridge, the north and virtually every area of this province have taken place; yet this government's response continues to be a refusal that there is a crisis. There is still no clear, coherent industrial strategy. Instead, this government continues to give a grant here and a grant there. When the opposition talks about the unemployment crisis, the government's response is, "We helped Ford in 1978, we helped Massey in 1981 and we gave Volkswagen a grant in 1981."

With high interest rates, this government now attempts to convince the people of this province that if lower interest rates were the case, we would not have the problems we now have. The reality is that the auto industry would still be in trouble; Massey would still have difficulty; McDonnell Douglas would still have difficulty, as would the pulp and paper industry and many other sectors of our economy. The structural problems that exist in our economy were not caused by high interest rates. They have been increased by the high interest rates, but they existed before and this government has done nothing to correct them.

As a critic of this ministry, I also feel this

government has deliberately withheld important information that would allow the opposition to make a more complete assessment of the government's performance. For example, the Massey-Ferguson legislation gave this government the authority to guarantee \$78 million worth of shares, yet we could not see the five-year plan and we could not get most of the important information that was needed for the opposition to make an informed decision on this piece of legislation.

This minister has attempted to mislead the public by saying we opposed aid, yet the truth is that we wanted those jobs to be saved as much as anyone else, but we wanted to be informed as to what this government was basing its decision on. We wanted to be assured the job guarantees were, in fact, part of the agreement. We wanted to explore alternatives such as direct investment and perhaps control.

The agricultural implements industry is incredibly important to Ontario and the jobs are also incredibly important. The private sector put this company, Massey-Ferguson, on the verge of bankruptcy; therefore, we had little faith in letting them try again. Yet, as of today, we still do not have the agreement this government has signed with Massey. The minister refuses to fulfil his commitment to table it in the House, even though the federal House has had a copy of its agreement tabled by the federal minister.

The Volkswagen agreement announced early in October has not been tabled. There \$9.2 million was granted to a company; yet we have not been told what this government got over and above what the federal government was able to negotiate. Again, the federal government has tabled the deal it made, but this government thumbs its nose at the opposition. When we criticize, somehow they come to the silly conclusion we oppose 500 jobs in Barrie.

Last week I got a reply to an Order Paper question I tabled on November 12. My question was: "Would the Minister of Industry and Tourism table the background reports or surveys of auto parts manufacturers to determine what use they will make of the proposed auto parts tech centre? Specifically, would the minister table the Touche Ross study and the Canadian Consultant study of the proposed auto parts tech centre? Further, would the minister table the proposed mandate for the auto parts tech centre and any proposals made to the federal government for joint funding of the centre?"

The answer I got was the following: "The

documents requested cannot be provided at this time. The government expects to be in a position to announce further details regarding the centre within the next several weeks and will table its background information at that time." That will probably be when the House is not even in session.

It has now been 10 months since the centre was announced. The province was to locate the centre at some place between Chatham and St. Catharines. How we in the opposition are to make a judgement on this proposal when we have been given no details is beyond my comprehension. The reports are available. The minister knows the auto parts people have been less than enthusiastic because they do not believe that sufficient thought has been given to the mandate and the purpose of the centre. Yet the opposition is kept in the dark by the minister's refusal to table background reports.

The centre was not part of an economic strategy. It was, instead, part of a political strategy. You were able to get just about every auto city in this province thinking it was in the running when it is my information the decision was made ages ago and the decision is to locate it at St. Catharines.

Parliamentary democracy only works when the opposition has access to the information so as to provide constructive criticism and alternatives. This government chooses, as I said, to thumb its nose at the opposition and, I believe, thumb its nose at democracy at the same time. It is no wonder this government chooses to keep us in the dark as much as possible.

Unemployment increases and city after city and town after town experience economic crises. My own city, Windsor, has been in a state of depression for going on three years now. In the last decade over 13,000 people have moved away. In the last year alone nearly 4,000 people have moved out. Unemployment has ranged from between 15 and 22 per cent. The welfare rolls have more than tripled since 1978. When all the costs have been added from the last three years, unemployment insurance has cost close to \$1 billion. When all the costs are added up from just 1981 alone, Windsor's unemployment has cost the taxpayers something in the neighbourhood of \$500 million.

This government has not seen fit to assist this city in any concrete or substantial way. Whether it be through public works projects or assistance to the social agencies, the ongoing response has been one of resistance. In the meantime, hundreds of people have lost their homes

because of interest rates and unemployment. In September 600 repossessed homes were either on the market or being held off by real estate companies because of an already saturated market. Just a couple of weeks ago a real estate spokesman said another 1,000 were in the process of foreclosure or power of sale.

You have to live in the city of Windsor to understand the misery. It is really not fun being a politician these days if you come from Windsor or, as my colleague from Essex South is here today, from the county of Essex. Week after week families come in and ask if I can help them keep their homes or help them find a job. Week after week I hear the question, "Should I stay in Windsor or should I leave?" Family breakups, emotional breakdowns, depression and alienation are all too common.

Yet this government even refused to participate on a committee I proposed, consisting of city and provincial officials. It would have reviewed public works projects that are needed and could be advanced so as to create some jobs for the building trades. They have experienced an unemployment rate approaching 50 per cent for too long. This government's insensitivity has simply been unforgivable.

Other municipalities are experiencing the very same problems. For example, in Cornwall there are now a record 4,751 people unemployed. Layoffs since October of 1980 total at least 746 out of an approximate 7,800 employed in manufacturing, or 9.5 per cent. Three companies have folded: Caravel Carpets, employing 159 workers, closed in December 1980; J. A. Besner and Sons, employing 61 employees, closed—they produced boys' clothing—and Atlas Hoist and Body, which did truck bodies and employed 81 workers, closed in October of this year. The welfare rates in that community—I could go through those statistics—have also increased significantly, as have the family benefits.

In Kitchener, Budd Automotive has almost closed. There are very few employees left there when compared to what they had at one point. Lear Sigler Industry, MTD Products, Burns Meat Limited, and B. F. Goodrich have laid off employees, and the list goes on. General welfare is up to 2,272, an increase of 8.2 per cent. Consumer bankruptcies in the Kitchener-Waterloo area in 1980 were 432, up 11.1 per cent, and business bankruptcies were 99.

In Peterborough the numbers of unemployed are 5,905. General welfare is 771 and family benefits, 1,848 cases. Chatham is in a position as

severe as Windsor. Their unemployment in October 1981 was 6,240. We have had significant layoffs at Canadian Fram, Eaton Yale, International Rockwell, Motor Wheel, International Harvester, Daymond Limited, Dover Products, and Elan Tool and Dye. In October there were 65 houses on the market that had been foreclosed and they were coming in at five per week in that city. In Brantford, again, they are in a horrible situation because of the problems at Massey Ferguson and White.

8:40 p.m.

This government simply must develop a strategy to get more jobs created. You can proudly state the job creation figures for the last year, but there are over 300,000 unemployed this year and that is more than there were last year. Further, the opportunities do exist for a government that has the will to take advantage of job creation. For example, Canada's trade deficit in machinery and tools is incredibly large as was pointed out in the minister's statement.

Imports of general purpose and special industry machinery totalled \$6.736 billion last year, including \$539 million worth of metal working and machine tools. Imports of agricultural machinery and tractors amounted to another \$2.089 billion, while the category of other equipment and tools added \$8.048 billion for a total of \$16.873 billion in 1980.

Exports have grown, but they affect only a fraction of our reliance on imports. Shipments to other countries last year totalled a modest \$5.011 billion, just 30 per cent of imports. The result was an \$11.8-billion deficit in machinery and tool trade, an amount almost four times as large as the auto trade deficit. In 1972, 60 per cent of our requirements were met by imports. In 1978 that figure was 69 per cent compared to 10 per cent for the United States and Japan, 34 per cent for West Germany and Britain and 50 per cent for France and Sweden.

Canada is the only industrialized nation which imports more than 50 per cent of its industrial machinery and tool needs. Our reliance on foreign producers ranges from the absurd \$236 million worth of nuts and bolts and screws imported in 1979 to the alarming \$360 million worth of mining and drilling equipment imported.

Mr. Laughren: Mining machinery? Is that what you said?

Mr. Cooke: Oh, I have a colleague here. I have support. These imports means thousands of exported jobs. This reliance also means when

we hear of a \$500-million new factory, of which 80 per cent is tooling and machinery, then much of the capital investment does not result in spinoff employment because it must be imported.

Perhaps during these estimates the minister could provide us with some of the figures of how much of the machinery and tooling in such companies as Volkswagen, the Ford Company and other major manufacturing establishments were actually produced in Canada when they established here. In an industrial society metal working is a building-block industry. Machinery and tools are the basic equipment of a strong machinery and tools industry. It trains and provides satisfying employment for highly skilled managers, engineers, draftsmen, toolmakers and other metal-working tradesmen.

"The real measure of a nation's economic maturity is its ability to supply its capital equipment needs from domestic sources," says F. G. Ferrabee, past president of the Canadian Ingersoll-Rand and first vice-president of the Machinery and Equipment Manufacturers Association of Canada.

Much of what we import are standard items well within our technological capacity to produce—for example, \$210 million worth of hand tools such as screwdrivers, wrenches and hammers. To this, add \$119 million worth of power tool imports for a total of \$329 million worth of items Canadians have on a continuing need. A huge volume of technologically sophisticated, industry-specific machinery and equipment is also imported. Most notably are large quantities of agricultural, mining, forestry and power-generating machines for the resource industry, in which Canada is amongst the world leaders.

However, our production capacity in these industries has not induced the growth of a machine-building industry which can satisfy domestic needs. Ninety per cent of the domestic market for agricultural machinery, 90 per cent of the market for mining machinery, 70 per cent of the market for forestry machinery and 53 per cent of the market for power-generating equipment are supplied by imports.

The inability of Canadian producers to hold their own in the domestic market is a reflection of the industry structure. Canadian machinery and equipment producers rely upon the demand for custom-made equipment for their survival. They simply cannot compete on the standardized items which require mass runs. The standardized, mass-produced items demand an export market.

But J. L. Meskino of the Machinery and Equipment Manufacturers Association says: "In practice, business in the prime export market, the United States, is limited by corporate relations. Whether we like it or not, we are a branch plant economy and we cannot compete against our parent corporations." Therefore, foreign ownership is a major impediment to any attempt by Canada to neutralize its trade position.

While exports of machinery and tools increased rapidly over the last two decades, unemployment grew more quickly for our manufacturing as a whole. We continue to lose ground. Our trade deficit has spiralled. Foreign ownership has contributed towards this critical situation in a number of ways.

By confining the mandate of the Canadian branch plants to specific products and incomplete lines, by integrating Canadian production into worldwide rationalization plans and by focusing on assembly rather than parts production, foreign ownership and control has been stunted by the development of the industry. It has impeded efforts, such as the federal government's machinery program, to move Canada towards a larger volume of machinery and tool production.

The science council has argued the transfer of technology through the foreign direct investment explains the virtual absence of a machine tool industry and the overall weakness of our capital goods industry. The predominance of the US branch plants in the manufacturing sector at large has a similar dampening effect on our domestic machinery and tool production. American manufacturers find it more profitable to locate their parts production in the United States with only the final assembly performed here. This division of labour eliminates the need for parts-producing machinery in Canada.

Often production machinery to be used here is specified by the US head office, built in the United States and then shipped to Canada. Even machinery replacement parts are stored south of the border. Our strategy in this sector should be to substitute Canadian production for commodities now imported. The current stress on export, product specialization and continental rationalization will make us more dependent upon trade, less able to meet domestic needs and less in control of our economy. This government's policies will ensure continued dominance of American-owned firms over their Canadian competitors.

In the short run, a few jobs may be created by

this government's strategy, but in the long run our deficit, like that in the auto industry, will surpass today's unacceptable levels. Investment by industry has been sadly lacking in this sector. Government must take some initiatives through joint ventures and a systematic import replacement strategy. Imports currently capture 69 per cent of the domestic market and cost Canadians \$17 billion. Reducing import penetration to 50 per cent of the market would save Canada \$5 billion and create 100,000 jobs in machinery and tool manufacturing.

Machinery is just one of the many sectors where we export thousands of jobs. In food processing we have a similar problem. Only in Canada—and this line was used during the election—would we import the TVs we watch and the TV dinners we eat while we watch TV.

In 1976 the Canadian Food Processors Association published *At What Price Imports?*, a report which documented the high cost of importing a selected list of processed fruits and vegetables that could be produced in Canada. Updating the same material to 1979 and using Ontario's figures reveals we lost—and I am not going to go through all 19 products, but just give some examples—in frozen strawberries \$5,297,278 in wages and in canned peaches, \$6,638,172. The list goes on for 19 products for a total of \$34,175,681. In other words, in just these 19 selected processed fruits and vegetables, Ontario lost over \$34 million in wages. The overall wage and job loss due to imports is actually much higher than the above figure.

8:50 p.m.

If we estimate the potential wage job loss in those food and beverage industries that recorded a trade deficit in 1979, Ontario forfeited 11,567 jobs and \$175 million in wages. The spinoff jobs and wages would likely triple those figures for a total of 34,371 jobs and \$525 million in wages. Even if we were to take a very limited perspective and simply tried to balance our trade flows, it could mean over 12,000 jobs and \$180 million in wages a year. It would also mean new incomes for farmers and long-term income security.

The food processing industry is one of the largest manufacturing industries in Ontario. It is composed of 18 industrial groupings, and the 1,000 plus firms involved run the spectrum from single plant operations processing a single product and employing fewer than five employees to multi-plant subsidiaries of multi-product foreign corporations which employ thousands of workers in Ontario and tens of thousands of workers in the world.

Instead of creating new jobs, the food processing sector has shown an overall job reduction. From an employment high of 90,987 workers in 1967, the industry has contracted to a 1977 low of 84,191, a net loss of 6,796 jobs. Furthermore, between 1961 and the late 1970s over half, 1,379, of the food processing establishments in Ontario were closed down. Particularly hard hit was the dairy industry with a loss of 2,461 jobs, fruit and vegetable canneries with a loss of 1,818 jobs, and bakeries with a loss of 1,222 jobs.

A total job loss of 7,000 in the space of a decade may not seem like a lot of jobs when compared, for example, to the present layoffs in the auto industry. But it is important to note these jobs have been lost at a time when new jobs could have been created in the food industry. Furthermore, the plant closings and layoffs have disproportionately affected smaller communities. The food processing industry has traditionally located close to the source of agricultural production. Its plants have provided employment opportunities in rural areas and have to some degree served to offset regional imbalances and inequities.

When these plants and companies cease production, the already severe regional unemployment problems are exaggerated. Of the 25 counties for which data is available for both 1970 and 1976, 80 per cent recorded a decline in both the number of food and beverage establishments and the total number of people employed in food processing. Big losers included Huron County with a 37 per cent drop in the number of establishments and a 60 per cent drop in the number of employees, Lennox-Addington with a 71 per cent drop in the number of plants and a 75 per cent drop in the work force, and Sudbury with a 46 per cent drop in plants and a corresponding 39 per cent drop in employment.

The above trend illustrates a second theme of Ontario's declining food self-sufficiency. On the one hand, the province as a whole is becoming dependent on foreign sources of supply, and on the other hand, smaller regional centres are losing their local self-sufficiency and becoming increasingly dependent on metropolitan centres. The trend to declining local self-sufficiency is most apparent in northern Ontario, although it is by no means confined to the north.

Years ago a sign stood by the exhibition grounds in Thunder Bay which read, "Eat Thunder Bay produce." The sign is not there any more. At one time the Rainy River area

used to ship vegetables to Thunder Bay and to Minneapolis. The Dorion area used to ship select potatoes and strawberries to the New York market. There used to be a co-op cheese plant in Stanley, Ontario, before Kraft bought it out and closed it down. Thirty or 40 years ago the Thunder Bay area was close to being self-sufficient in food production. Now it is dependent on food brought in from Winnipeg and Toronto.

The loss of local self-reliance is tied to the consolidation and centralization of Ontario's food processing sector and the corresponding concentration within the food retailing sector. Over the last 20 years the food processing industry has gone under considerable consolidation with larger firms producing in fewer plants in centrally located facilities. The underlying pressure behind this rationalization has been the concerted effort on the part of large, often multinational, companies to achieve their internal economics of scale and increase their market share at the expense of small, locally owned firms.

Provincial markets were used as the criteria. The market share for the top four firms in such industries as poultry, meat packing, dairy, feed manufacturers and bakeries would be much higher than figures that show just how the top four enterprises already have such a large share of the market. For example, of the top four enterprises' share of the market in 1974, slaughtering represented 50.2 per cent; poultry, 33.9 per cent; fresh fruit and vegetables, 37.3 per cent; flour and breakfast foods, 65.6 per cent; soft drinks, 50.4 per cent; and distilleries, 82.6 per cent.

Secondly, the use of figures based on industry sectors ignores the fact that most large food companies are multi-product conglomerates operating in more than one sector. A more accurate measure of overall corporate concentration is the relative share of profits within the food industry.

In a pamphlet distributed by the Grocery Products Manufacturing Association, the industry claims: "Food processing industry profits dropped by 2.7 per cent in 1979 from 1980, despite higher sales volumes. After-tax profits dropped 12 per cent." When the figures are disaggregated, a different picture emerges. The large companies—assets greater than \$10 million—showed a 1977 to 1979 profit increase of 35 per cent on a sales increase of only 26 per cent. Furthermore, while those companies with assets of more than \$10 million comprise only 20

per cent of the total number of food companies, they captured 75 per cent of all the profits of the food industry.

The Ontario food and beverage sector has not been immune from general trends within the Ontario economy such as the rise of multinational corporations and foreign domination. Although foreign ownership is not as high in the food and beverage sector as it is in other manufacturing sectors, it is still high enough to warrant serious attention. On the whole, while only 15.4 per cent of the food processing establishments are foreign-owned in Ontario, they produce 48.3 per cent of the industry's shipments and account for 51.1 per cent of the total employees.

Walk into any supermarket for confirmation. The giants of the US food industry are the giants of the Ontario production—Dei Monte, Kellogg, Standard Brands, General Foods, Heinz, Beatrice Foods, Kraft and so on. Twenty of the top 25 US food companies have subsidiary operations in Ontario. All of the food companies that rank among Fortune's top 50 US companies have operations in Ontario.

A branch plant economy in the food processing sector has the same stultifying effects as it has on other industrial sectors. Ontario has been integrated into a continental food market and is increasingly into a global food market. Too often decisions about Ontario's productions are made outside the country in accordance with priorities of corporate decision-makers.

A clear case in point is the relative ease with which US companies can move into a dominant position within the Ontario market. Beatrice Foods, for example, is the largest food company in the US. In addition to its own food line, it owns Buxton leather goods, Culligan water softener, Samsonite luggage, Silex coffee makers, Day-Timer planning aids, leisure and sports-wear companies, furniture companies, sound equipment companies and others.

9 p.m.

In the late 1960s the US Federal Trade Commission, concerned with the growing monopoly in the US dairy industry, prohibited Beatrice Foods and three other firms from acquiring any additional dairies in the US for a period of 10 years. As a result, Beatrice Foods moved into Canada and in rapid succession captured about 15 Ontario dairies to emerge as a major force in the Ontario dairy industry.

Similarly, in 1955, the largest fruit and vegetable processor in Canada was Canadian-owned Canadian Cannery Limited. In 1956 the US-

based Del Monte Corporation, now the largest fruit and vegetable processor in the world, decided to capture the Canadian market by buying out its largest Canadian competitor. It did not stop with Canadian Cannerys. It went on to buy out another half dozen or so Ontario companies.

Once Del Monte had acquired a major share of the Ontario processing industry, it began to rationalize its new Canadian operations in line with its global strategy. The results show that in 1955 Canadian Cannerys operated 37 plants throughout southern Ontario; in 1978, after two decades of Del Monte control, 30 of those plants had been shut down.

Concomitant with Del Monte's bid to control food processing in Ontario, there has been an overall reduction in the number of firms canning, for instance, Ontario peaches. In 1965, there were 19 firms involved. Now the business is the preserve of Del Monte. In any supermarket in Ontario, Del Monte peaches now bear both its US country of origin label as well as its Ontario label. Its foreign-produced peaches account for about 70 per cent of the Ontario market.

This government finally recognizes there is a problem in the food processing area. However, the Board of Industrial Leadership and Development provides for little innovation and does not come to grips with the central problem of ownership and concentration of power. Grants here and there will not solve these structural problems. A strategy which begins with the preservation of farm land and continues on to direct investment with co-ops and even crown corporation food processing plants must begin to get us back on the track to food self-sufficiency.

The Deputy Minister of Agriculture and Food seems to agree with us when he said in his estimates on October 15, 1981, "Without checking with the minister, I am going to answer that one."

Hon. Mr. Grossman: That's him.

Mr. Cooke: He said: "I am going to be very frank. There are multinational companies that control this business. To make something happen in this province, you have to get them all in a room and knock their heads together." I am quoting exactly.

Hon. Mr. Grossman: You don't have to convince me.

Mr. Cooke: He said: "The suggestion that you will get some big improvement in this province

in that kind of production"—he was referring to tomato processing—"by some small plants in some small places is attractive, but it ain't going to make much of a dent. You need a big guy. It could be a co-op. I suggested to some of the companies that come in that maybe we should get a God-damned provincial co-op and do it ourselves."

The last time I used that word in the House I withdrew it, but I am quoting. That was Dunc Allan.

Now let me turn to the high tech centre. Canada has not invested enough in the microelectronics revolution. There has been a marked lack of government commitment and leadership. We have not provided the labour force skills needed for high tech. We have not engaged in the long-term planning essential to get the greatest economic advantage from the transition to high tech or develop programs to retrain workers for new employment.

In 1970, 4.4 per cent of all those graduating from Ontario universities obtained degrees in engineering or applied sciences. By 1978, the percentage had dropped to 3.6 per cent. Japan has five times as many scientists and engineers per capita as Canada. The British government this year established 3,000 extra training places for programmers and analysts. By contrast a survey conducted by the Ottawa office for the Minister of Industry and Tourism found that 68 per cent of high tech firms indicated that they experienced difficulties in filling employment requirements.

In the next five years the Ottawa area will need 4,000 to 5,000 highly trained recruits. By 1985 the demand for electrical engineers will increase by 257 per cent, the demand for technicians will increase by 340 per cent and for technologists and skilled assemblers by 168 per cent and 297 per cent respectively.

In the face of this world commitment to microelectronics, Canada cannot afford to be complacent. Without government insistence it is not at all certain that chip technology will be applied to Canadian industry. The domination of our economy by branch plants that do relatively little manufacturing and virtually no research, design or development means that we have lost control of our industrial future. Canada has been overdependent on the American lead in advanced technology. If multinationals place new technologies in their American plants, while denying them to the Canadian plants, we may simply be unable to compete. Our plants risk obsolescence without planned action.

Our dependence on imported machinery and tools means that we have little capacity to develop the applications of this new technology ourselves and may lose any control Canadians might have exercised over the development of microelectronics and its impact on our society. No single provincial government can cope alone with the challenges poised by the high-tech revolution already facing the Canadian and Ontario economy, but because Ontario remains the industrial heartland of Canada, it is incumbent upon the Ontario government to take the leadership required to protect Ontario's manufacturing future.

The government should call for joint federal-provincial action for immediate assistance to the high-tech private sector in meeting its capital requirements. This could be achieved by moving to make it possible for the existing Ontario Development Corporation to undertake equity investment in the same way that is open to the federal government's Canadian Development Corporation.

The government should call for federal-provincial co-ordination or rationalization of existing and future research and development programs so that the maximum results would be achieved from public sector investment. We should encourage shared provincial development of high-tech industries, asking in return for nationally defined goals and rationalized priorities. Canadian governments cannot afford to compete against themselves in the industry of the future.

The government should ensure that high-tech applications are fully integrated in other sectors through agencies like an automotive policy office, the Urban Transportation Development Corporation and proposed manufacturing machinery investments. We should also seek the same integration with the federal aerospace corporations.

The government should expand skills training for the professional and technical experts Ontario's high-tech companies need. Co-operative work study programs, in which university and community college students work in industry, can quickly be established to help overcome current skill shortages. Microelectronics courses at institutions like Carleton University and Algonquin College of Applied Arts and Technology must be improved and expanded. The \$80,000-government-sponsored study on high-tech ramifications facing Ontario should be considered an initial review.

A much more intensive study must be under-

taken at the national level through federal-provincial action to determine priorities for investment, research and development, skills training and transitional employment requirements. We believe government should establish as its top priority as much support as possible to maintain the leading edge already established in the telecommunications sector of the high tech development.

I would now like to make some comments on the auto industry. Since Mr. Martel is here, and he is always telling me I emphasize auto too much, I want him to know that this is one of my last sections; I have gone through these other things first. I am not overemphasizing auto in these opening remarks. I even mentioned mining machinery first.

9:10 p.m.

Whenever we raise our concerns about the auto industry, this minister and the Premier say we are being overly pessimistic. How anyone can say that by stating the facts, quoting federal and provincial reports, we are being overly pessimistic, is beyond my comprehension. The fact of the matter is that the auto industry is in a crisis. Further, Canada's auto industry, because of serious structural problems, is in worse trouble than the American industry is in. The minister can compare layoffs and say we are better off, but when one looks at investment, model mix, research and development and the auto parts sector, our auto industry is weak, with or without high interest rates. The 1980s can be a decade where we take action to turn things around, or it can be a decade of further deterioration and fewer jobs rather than growth.

In 1965, as a result of a serious imbalance of payments created by rapidly rising automobile imports from the US, Canada and the United States entered into a limited free trade agreement in automotive products, called the auto pact. The auto pact called for the industries of both countries to participate on a fair and equitable basis in the expanding total market of the two countries. It also called for the establishment of conditions, and I quote from the pact, "in which market forces may operate effectively to attain the most economic pattern of production and trade."

Striving for a fair share while at the same time seeking the benefits of an integrated North American production system represented a problem of conflicting goals. It is this conflict that has seen Canada, and particularly Ontario, suffer through the continental integration of the North American auto market. Part of the

problem stems from the fact that the auto pact maintains a certain vagueness over the key points in the agreement.

For instance, the notion of fair share, which is embodied in the first article of the pact, has never been officially defined. Nevertheless, there could be no doubt that as far as Canada is concerned, striving for a fair share has meant achieving a value of Canadian production of automobiles and components equal to the value of Canadian consumption as a proportion of the total North American market.

In particular terms it means a general balance of trade between the two countries, a structural balance between parts production and assembly operations, a level of employment and a mix of employment proportionate to our share of the North American market, a value of research and development expenditures in Canada consistent with US spending, and a level of capital expenditure sufficient to renew and upgrade Canadian facilities to ensure our fair share of automotive production in the future.

The evidence of the last decade clearly indicates that Canada has not achieved its fair share. A fair share principle would simply imply a neutral trade balance. Therefore, a logical criterion for evaluating the auto pact would be the balance of payments resulting from bilateral automotive trade.

At the time of the signing of the auto pact, Canada's auto trade balance with the United States was a record deficit of \$711 million. By 1980 year-end, our deficit has surpassed the \$3-billion mark. In fact, since the signing of the pact, Canada has had an auto trade surplus in only three years, and our total net deficit over the period from 1965 to 1980 has amounted to \$15 billion. Upon closer examination, our trade pattern reflects the rationalization of the Canadian market to serve segments of the continental market. The goal of the auto pact, "to achieve the most economical pattern of production and trade," has biased our auto production in Canada, so that an overdeveloped assembly sector co-exists with an underdeveloped parts sector.

In every year of the auto pact Canada has run a continuous and growing deficit in the auto parts sector. Whatever surplus Canada could achieve through the export of assembled vehicles has rapidly been wiped out by our deepening deficit in parts. Between 1965 and 1973 our parts deficit doubled. It doubled again by 1978 and by 1980 year-end the deficit approached the \$4-billion mark.

Furthermore, the manner in which Canada implemented its side of the agreement has left the Canadian industry vulnerable to third country parts imports. Canada allows imported parts from third countries, those countries outside the pact, to enter Canada duty free, provided they are used to manufacture vehicles. Recent developments in the global auto industry suggest that third country parts imports into Canada will increasingly undermine the viability of the Canadian industry.

While the output of the Canadian industry has increased substantially since the signing of the auto pact, it is true that the number of vehicles produced exceeds the Canadian market demand. It is also true that the conventional measure of automotive production, the number of vehicles produced, does not accurately reflect the value added or the job content embodied in the automotive production and trade. The true measure of output is not the number of vehicles produced, but the Canadian value added in the automotive production. The CVA is well below what a fair share of production would require. Indeed, the value of Canadian products is substantially lower than the Canadian share of the North American market. Furthermore, it has deteriorated.

Since parts and accessories constitute over three quarters of the value of the finished vehicle, and since the rationalization of the Canadian industry was biased in favour of the assembly operations, the structural imbalances in the Canadian industry have become pronounced and are reflected in the trade data. The economic return from parts manufacture is very much higher than for vehicle assembly, 45 per cent value added in parts versus 22 per cent for assembly.

Capital reinvestment in Canada by the auto majors has been out of step with the pace of Canadian consumption. The investment ratio was only 4.3 per cent between 1971 and 1973, and then climbed to 6.6 per cent between 1976 and 1977. Canada's actual market share during the period was much higher, 9.5 per cent, resulting in an investment shortfall of millions of dollars.

The trend to proportionately lower auto investment in Canada began as soon as the initial process of rationalization of the Canadian industry was complete. It began well before the American auto slump in 1974 and 1975. It points to a long-term trend that has nothing to do with the temporary ups and downs of the North American auto industry. Of equal significance,

especially in the light of the conventional argument that profits are essential for industrial growth, is the fact that throughout the period in which Canada experienced an actual investment shortfall, the profitability of the Big Three's Canadian subsidiaries was higher than for their parent corporations.

The federal government's 1978 inquiry into the automotive industry, the Reisman report, concluded: "Throughout most of the 1970s the profits of the major motor vehicle manufacturers in Canada has been above those of their US parent companies. Between 1965 and 1977 the Big Four applied almost \$1 billion of their Canadian earnings to reinvestment in the country, while they repatriated to the US parents \$1.1 billion in net income, excluding other financial transactions."

In other words, Canadian operations were used to help finance expansions outside of this country. By way of demonstration, between 1976 and 1977, despite the Canadian operations' higher profitability, the book value of the net assets in Canada increased by only 6.8 per cent, whereas in the US they increased by over 25 per cent. As the Reisman report points out, if a deflator index were used, it would show an actual decline in the real book value of the Canadian net fixed assets.

The pattern is repeated in the parts sector. The subsidiaries of the multinational parts producers throughout the 1970s were relatively more profitable than their US parents and had a consistently stronger cash flow. However, new capital investment in plant and equipment was significantly lower in relation to the sales than that of their US counterparts.

The automotive industry is the second leading spender on research and development in the US after the electrical and aerospace sectors. R and D expenditures through the 1970s have averaged 2.5 to three per cent of net sales, amounting to \$2 billion per year. Although the North American automotive industry undertakes a great deal of R and D, very little of this is done in Canada.

9:20 p.m.

In 1977, for example, \$3.4 billion was spent by the industry in the US, whereas in Canada R and D expenditures amounted to only \$8 million, or 0.2 per cent of the North American expenditures. Furthermore, what little was spent on R and D in Canada was primarily by parts makers. The Canadian subsidiaries of the Big Four undertook only \$2 million in R and D, but paid in excess of \$300 million for R and D performed on their behalf at the US installations.

Commenting on the situation, the Reisman report concludes: "These figures suggest strongly that there is a serious and growing imbalance in the technological composition of the Canadian automotive industry. The imbalance is particularly severe in the auto assembly industry where, if anything, there has been a reduction in real R and D activity since North American assembly was rationalized."

Interjection.

Mr. Cooke: I am sure it is just a quorum call. If anyone needs us, the whip will come in and get us.

Yet another government inquiry, the Arthur report, has estimated that R and D imbalance has resulted in a net drain of about \$230 million a year from Canada to support R and D in the US. More recently, the MacDonald report, on behalf of the Science Council of Canada, examined the issue from the perspective of product engineering, using General Motors as a case study. Of three engineering functions, current model engineering, advanced engineering and experimental engineering, MacDonald reports, "Canada's share of the first two functions is nominal and nonexistent for the third."

Since R and D is concentrated in the parent companies, the US has experienced most of the indirect benefits that flow from this activity. For the domestic auto industry in Canada, this has meant an accentuation of the problems associated with our primary role as an assembly source for motor vehicles and as a secondary producer of medium- and low-technology parts. At a time when the technology is considered a prime vehicle of economic progress, our limited domestic R and D capacity serves to foreclose future opportunities.

The growth in North American demand for motor vehicles over the past decade and a half caused a significant expansion in employment in both Canada and the US. Canadian employment grew significantly from 82,065 to 117,000 in 1977. Whether or not this substantial growth has actually realized a fair-share concept of employment relative to market size is still a matter of dispute. The US and Canada use different methods for arriving at total auto employment. The discrepancies in calculations, however, do not change the fact that there are severe imbalances in the Canadian automotive employment. The imbalances are basically three: regional, structural and skill mix.

The structural imbalance is in the relationship between parts and assembly. In the United States 65 per cent of automotive employment is

in the parts industry, with 35 per cent in assembly. In Canada, according to the Automotive Parts Manufacturers' Association, only half of the industry employment is in this sector. The proportionate underdevelopment of parts employment in Canada parallels the huge deficit in parts trade. The Ontario Treasury study of 1978 estimated that this deficit has resulted in a shortfall in parts jobs of about 16,000. More recently, the science council study, *Canadian Automotive Industry, Some Emerging Perceptions/Prescriptions*, estimated that Canada's parts manufacturing industry would have lost up to 19,000 jobs through the imbalance.

The final imbalance is the differential in skill mix, which stems from both the overemphasis on auto assembly jobs in Canada and from the kind of assembly and parts jobs allocated in Canada. In general, the balance of worker skills in Canada does not reflect the size of the market base, nor the technological sophistication of the automotive industry overall.

The Reisman commission summarized the situation as follows: "Employment in Canada is relatively more concentrated in less skilled jobs. Analysis of the employment in all operations of the five largest vehicle manufacturers shows that in 1977 Canadian production employees were involved in more semi-skilled work than their US counterparts and that less production work was classified as skilled. Since 1965 the proportion of skilled production jobs has risen in the United States and has fallen marginally in Canada."

More recently, the MacDonald study has estimated that 89 per cent of the plant employment in Canada was unskilled or semi-skilled compared to 66 per cent of those categories in the United States. Only three per cent of the Canadian direct factory employees working for vehicle companies are placed in the skilled category as opposed to eight per cent in the United States. In the parts sector the skill-mix differences are of a smaller magnitude, but are still indicative of the bias in Canada to the production of medium- and low-technology parts.

The post-pact development of the Canadian automotive industry successfully integrated Canadian production into a continental market. The clause in the pact which called for achieving the most economic pattern of trade and production served as a catalyst to accelerate and reinforce the branch plant independent nature of the Canadian industry.

In particular, Canada's trade deficit with the

US in parts production has grown substantially wiping out any surplus gained in assembled vehicles. Capital reinvestment, despite consistently higher rates of return in Canadian subsidiaries, has lagged behind that of the United States. Canadian R and D expenditures have been incredibly low compared to the expenditures in the United States. Employment in the Canadian industry has been concentrated in one province, biased towards assembly operation and provides for proportionately fewer opportunities in the skilled and professional occupations.

In addition to the above particulars, the structure and the control of the Canadian industry has constituted what amounts to a double dependency for Canada. Our major manufacturing industry is directly controlled by foreign corporations and the industry's success, for that matter, and the overall vitality of our manufacturing sector is dependent on foreign markets. The dominant role played by the auto sector in Ontario has been associated with certain costs, primarily a more pronounced cyclical behaviour for total manufacturing. In 1970 and in 1975, for example, the auto industry slumped badly with declines in real output of 14 and 12.5 per cent respectively.

Feeling the impact of the drop in output from the auto sector, total manufacturing output also declined in these two years. This is not to say that the drop in demand for Canadian-made cars and parts was responsible for these recessions, but rather the dominant role played by the auto industry stemming from the auto pact has made total manufacturing output, and consequently the Ontario economy, more sensitive to the performance of the auto industry.

With respect to Canadian auto consumption, one important outcome of the development is that the Canadian policy makers are limited in their ability to stimulate their own auto industry. Given how vital auto production is in Ontario manufacturing overall, the province's manufacturing sector as a whole moves closely with US car sales. In 1979 the significant declines in the Canadian auto assembly and parts production were a direct result of the drop in US auto consumption. It was not a result of Canadian demand, which had actually grown by five per cent.

Given the vital economic linkages between the auto sector and other industries, such as primary metals, rubber and metal fabricating, a decline occasioned by activities in a foreign market reverberates throughout the entire manufacturing sector.

This double dependency shows up as a problem in yet another way. Because the auto pact works the way it does, the Canadian industry is vulnerable in two ways to high levels of imported vehicles to North American and Canadian markets. With high imports into a former market, the US market, the levels of production in the North American industry as a whole declined, dragging Canadian production down with them.

9:30 p.m.

Based on the preceding analysis, the conclusion seems inescapable that the auto pact has significantly failed to meet its objectives in terms of Canadian needs and expectations. The situation, even outside of the current crisis, has become economically intolerable and needs to be changed. The only available choice is either to rectify the defects in the existing pact arrangements or to pursue an alternative strategy for the development of a more autonomous industry.

To attempt the former, to rectify the pact, would mean either renegotiating the pact or trying to enforce the principles of the pact. A call for living up to the principles of the pact would, in effect, be a renegotiation of the pact. The second alternative is that of pursuing independent action and is also an option. In its most concise terms, it would mean that Canada would exercise its right under the pact to rescind the agreement. Obviously this must be done in conjunction with a clearly formulated strategy for rebuilding the auto industry and would have to be done with content rules and other legislation which would have to be brought in at the federal level.

The Treasury study, released after demands from the select committee on plant shutdowns and employment adjustment, tells the tale of how bad things really are and why we have to look at these alternatives. It states that there are 35,000 layoffs—or were at that time—in Ontario in the auto industry, and this represented about one third of the jobs, the largest ever experienced in the industry.

Even more alarming, if that is possible, the document points out that the imports of foreign cars will remain between 20 and 26 per cent—and it is now higher in Canada—in the US without restriction. While restrictions have now been introduced there, those which have been introduced in Canada by Herb Gray are weaker and, I think the minister would agree, rather ineffective, and that is being kind to Mr. Gray.

In the parts sector it states on page 63 of the

Treasury report: "Between 1976 and 1979 Japanese parts exports increased by 102 per cent or at an annual rate of 23.5 per cent, while over the same period Canadian parts exports increased by only 52 per cent for an average of 13.9 per cent a year. Japan is playing an increasingly important role in supplying components to the US. Between 1976 and 1979 Japanese exports to the US increased by 113 per cent, while Canadian imports rose 9.2 per cent for the same period. It is becoming increasingly clear that the Japanese are displacing Canadian parts producers as the leading supplier of major components for automotive production in the United States."

The report goes on to say: "In 1970 Canada accounted for 70 per cent of all US imports, West Germany for 88.5 per cent, Japan for 8.5 per cent and others for 13 per cent. By 1979 this picture had changed radically with Canada accounting for only 43 per cent, West Germany for 9 per cent, Japan up to 29 per cent and others up to 21 per cent. If recent trends continue, Japan could displace Canada as the single most important supplier of automotive parts to the United States in the very near future."

The report's conclusions are that the job losses will be 30 to 35 per cent and that we will see direct auto jobs in the range of 63,000 to 67,000 down from 118,000 in 1978. The MacDonald report, released in July of this year, points out the dangers of the world car, a vehicle assembled in many countries from components made in a smaller number of highly efficient plants.

This report says we will become even more biased to assembly and therefore importation of parts. With tariffs dropping, it is likely that many of the multinational auto parts firms will close and export to our market. This is a realistic fear of employees at companies like Budd Automotive and even companies like Champion Spark Plugs that up until now have been considered safe plants.

MacDonald suggests 50,000 to 55,000 auto jobs could be lost by 1990. The report states further: "If the procurement pattern were changed to that suggested earlier under the concept of the world car with major components being made elsewhere, the number employed could only be 40,000 to 45,000." These figures are compared to the 1980 level of 98,000 and in 1978 of 118,000.

The minister can call the Treasurer's study a worse case scenario or it can call the MacDonald report overly pessimistic, but the facts are there. Our auto industry is in extreme difficulty

and a turnaround will only happen if the structural problems are attacked. The fact that more plant closures are likely, such as the eight cylinder engine plant at Ford and many multinational autoparts firms, as tariffs decrease, the fact that Ford's new engine plant in Windsor may have a limited life and is not operating anywhere near capacity, and the fact that GM's eight cylinder engine plant in St. Catharines is in trouble are matters that cannot be brushed aside.

An auto strategy must be developed. The auto industry is central to our economy and in Ontario we are in danger of losing more production to Japan, Mexico, Argentina and other countries. Because Mexico has a plan, it is the fastest growing auto jurisdiction in the world.

Of particular significance to Canada are the projections relating to the parts sector. Between now and 1985 parts production in Mexico is expected to grow at between 18 and 22 per cent per year. At present Mexico parts production is estimated at about \$2 billion. By 1985 it is expected to be about \$5 billion. On the other hand, Canadian parts production reached a high of \$4.7 billion in 1978 and in 1979 had fallen to \$4.5 billion. In 1980, 20 auto plants closed down in Ontario and permanent or indefinite layoffs have continued.

In my opinion, large firms like Budd Automotive and New Champion Spark Plugs have a limited life with decreasing tariffs and without content legislation. In 1982 GM will source 400,000 2.8-litre V-6 engines from Mexico. In 1983 Ford will source 400,000 2.2-litre L-4 engines. In 1981 Chrysler began sourcing 270,000 2.2-litre L-4 engines and in 1982 Volkswagen will source 300,000 L-4 diesel and gas engines from Mexico. Canadian producers will lose \$400 million to \$600 million in 1979 dollars in automotive component production to Mexican competition by 1984, or 10 per cent of the Canadian auto parts sector.

Mexican policy seems to be working. They have ownership requirements. The terminal industry was allowed to be 100 per cent foreign-owned, but was restricted to the assembly of vehicles and the manufacture of those parts which were produced at that time. The Mexican independent parts manufacturers were required to be 60 per cent Mexican-owned and, in addition, 60 per cent of their direct production cost for each individual component produced had to be of Mexican origin. Content rules are 75 per cent for autos, 85 per cent for trucks, 90

per cent for tractor trucks and 85 per cent for agricultural tractors. The difference between the recommended and minimum content of 50 per cent must be generated by exports.

The Mexican experience is interesting because it shows government intervention can work. Strategy involving the federal and provincial governments can work. This minister, however, throws out a few grants here and a few grants there and then says, "We are creating jobs." Grants to Ford in Windsor and to Volkswagen in Barrie are not going to have a significant long-term effect on attacking the structural problems in the auto industry. The auto tech centre is not nearly enough either. It was primarily, as I said earlier, a political ploy.

9:40 p.m.

I suggest what the minister should be doing is putting together an auto strategy which would involve ownership rules, Canadianization of the auto parts sector. I suggest the direct investments he gets involved in—and I am sure he has read the resolution I have tabled in the House, or I hope he has, and I hope he will join in the debate two weeks from now where we call for Canadianization of the auto parts sector.

We call for direct investment in the auto parts firms and we call for this government to say very clearly to the federal government there has to be content legislation. Even the outgoing president of Ford Motor Company has indicated if we do not have content legislation at the federal level, we will not have an auto parts industry in this province much longer.

Communities in this province, such as Windsor, Chatham, St. Thomas and St. Catharines, have incredibly high unemployment because there has not been an auto strategy in this province. Quite frankly, there has not been one at the federal level either. We were promised assistance from the federal government for auto workers through the transitional periods, yet this has not occurred. The resolution tabled in the House calls on the provincial government to do that as well.

On Tuesday of this week Herb Gray announced \$6 million will be provided through the industrial labour adjustment program to help a developer complete a major downtown hotel in Windsor. This initiative will create jobs and therefore will be helpful, especially for the large number of unemployed members of the building trades. But it does nothing to restructure the

economy, especially the auto industry, and will not replace the thousands of manufacturing jobs lost in Windsor to date.

Mr. Mancini: You are not against that, are you?

Mr. Cooke: I am not against motherhood, but I suggest there could be more productive things.

Hon. Mr. Grossman: We want to know if you are in favour of the grant to the developers.

Mr. Cooke: I do not think giving Bill Docherty \$12 million of free money is particularly the right thing to do.

Hon. Mr. Grossman: He is opposed to it, Mr. Mancini. Remember that.

Mr. Mancini: For the first weeks the mayor of Windsor said it was great.

Mr. Cooke: Did he? I talk to him at least twice a week. He is a member of my riding association and just contributed a few hundred more bucks. Anyway, in closing, I want to point out to the minister there are incredible opportunities. While we in the opposition often sound as if we are negative, I am particularly optimistic about the future if this government decides to get involved substantially in the private sector in a positive and substantial way. I think there are opportunities involved.

I do not think anybody, whether it be your party or whether it be my party, can follow any particularly dogmatic approach to the solution of these problems. I think direct investment works in some areas and tax incentives work in other areas. There are various approaches to use and we just have to evaluate each particular situation. But grants that may perhaps get the minister political credit in certain communities are not the answer to attacking the structural problems. I am still convinced they have a lot to do with the ownership of our economy.

Mr. Chairman: Thank you, Mr. Cooke. We will now hear the reply to the critics' oral statements from the minister.

Mr. Eakins: I was just amazed there was no opening commitment to the tourism industry from the NDP.

Hon. Mr. Grossman: Thank you. May I begin my response by saying I appreciate the sincerity with which my critics have addressed the problems? I will, however, disagree on some of the approaches they may take, particularly some of those heard in the last half hour. None the less, I do not for a moment challenge the sincerity of the motivations involved here. We all share in trying to find some solutions to what is a difficult time for our economy.

We do attend these estimates in an attempt to learn as much as we can, as well as getting our expenditures approved. Indeed, from time to time, as we discussed during the tourism portion of the discussion by Mr. O'Neil and, to some extent, Mr. Cunningham, there have been things I and my staff have heard quite clearly in these estimates in previous years. We have reflected upon them and in some cases decided to implement parts of them.

We do not hide that. Indeed, we are proud we come here, learn something and are part of a process which involves all members of the assembly. Quite seriously, I do appreciate both the limited number of complimentary remarks and the analytical criticism presented by the critics in their opening remarks.

I would like to take the opportunity to put some things on the record. Others we will perhaps get to a little later on. Because some statements were made today, we obviously have not been able to get all the information to provide a complete response, but I would like to deal with some of them.

It is fair to say, as several members have commented, that our government does from time to time put as good a face on the situation as we can. Mr. Cunningham outlined the role of government in trying to maintain as much confidence in the economy as we could during this period. We do not apologize for that. It is as important and valid for government to highlight job creation statistics, new plants and expansions, as it is for opposition parties to highlight for us and for the public the critical nature of layoffs and plant closures.

In order to end up with a reasonably balanced picture, both of those roles are important. The important thing is both government and opposition critics do keep in mind that there is some balance in that picture. It is also important for us as a government to realize that while we try and put a balance on the situation by bringing light to the better news in the economy, we do understand it is a difficult period for us. There are structural strains on our economy, compounded by a severe cyclical downturn.

We believe we are not neglecting those stresses in the short or long term. For example, Mr. Cunningham has referred to the problems with regard to job training. While I am not in a position, neither are these estimates the appropriate place, for all of that discussion since the responsibilities lie in two other ministries chiefly, it is important to note there has been a

dramatic increase in the number of spots in the community colleges in particular over the past few years.

Mr. Cunningham: Give us some figures.

Hon. Mr. Grossman: It is accurate.

Mr. Cunningham: There have been cutbacks too.

Hon. Mr. Grossman: I recall my colleague pointed out that as a result of the BILD initiatives alone, there are now around 12,000 more people receiving some skill training than there were a year ago. We could go over those statistics at some length.

It is important for us to remember that during this period of layoffs and tough economic times, the job of manpower training has to continue and it is continuing. I would say though there is the dialogue—and perhaps we will have it again here this evening or next week—which deals with the question of importing some skills. It is important to restate the fact.

There is literally no country in the world and no state or provincial jurisdiction anywhere that does not have a need to import some skilled workers at some time or other. I referred to that in my opening remarks. The figures are there to be seen and the situation can never be remedied. There is going to be some gap between the point at which one has to undertake a training program and the point at which one completes that job and has to go out on to the job market, because the demands of the economy change dramatically.

9:50 p.m.

The first time I sat in these estimates, just after I got these responsibilities three years ago, one of the questions raised, and properly so, related to the Ford Motor Company's practice of stealing skilled workers from small- and medium-sized auto parts firms. Because there was a shortage they were offering higher wages and better jobs and luring people away from the small auto parts sector which needed those people.

Yet, in as short a period of time as 18 to 20 months after those questions were asked here, we have the directly opposite situation of too many skilled workers in that area without jobs. That is just one example of how impossible it is to predict what is going to happen. It really was impossible to predict what was going to happen at that time.

Mr. Cooke: Could I ask about one thing on the statistics you provided in your opening statement?

Hon. Mr. Grossman: Perhaps we will come around to that.

Mr. Cooke: While we are on it I think it would be appropriate to ask if the 883 you referred to in your statement is the total number of skilled trades people who were allowed into the province.

Hon. Mr. Grossman: I believe the figure was higher; that was in one sector, as I recall. We will come to that when I have completed this.

In any case it is a problem which is not going to disappear. I believe we are doing a pretty fair job of closing the gap, but as the new technology comes on stream, it is going to get harder and harder to make those predictions, given the fact that more people are going for modular training and the training periods are becoming shorter. It is still going to be an increasing problem.

I can only say that we are well aware of the problem and that it is being grappled with at several levels in this government. Some of the studies cited here this evening point out our awareness, because they are our studies as we try to anticipate, which is all one can do, what the scenario is going to be, particularly in the high-technology industries, over the next few years.

I want to touch briefly on the question of the advertising agencies which was raised by Mr. Cunningham. I do not think anyone in this province can be terribly surprised that Camp Associates Advertising Limited wins the competition that is held every three years here, because the Camp agency, having had Canada's largest tourism account for a number of years, has acquired so much more expertise in the tourism field than any other agency. As to the other agencies which are invited to compete and which do participate in a fully open competition, it is hard for them to match the expertise that firm has developed.

The excellence of the Camp agency in the tourism field was evidenced by the fact that they won three major international awards in New York. In one case they competed against 4,000 other television commercials and came third out of that large number.

They did the one-minute Yours to discover TV spot. Anyway, those awards indicate the expertise that firm has in the tourism area.

Interjections.

Hon. Mr. Grossman: May I also say to the Liberal critic, I appreciate and understand the concerns he continues to raise over the Urban Transportation Development Corporation. He has been opposed to the project from the start. I do not happen to share his concerns and reservations, but I understand them. He has put them on the record very often. He has not hidden them.

I think his expressed concerns over the difficulties that UTDC may have in places like Toronto and Hamilton is not reflected in Detroit, Los Angeles, Vancouver and several other municipalities, particularly south of the border, which are seeking ways to acquire that technology.

Mr. Cunningham: Mr. Chairman, I know the minister would want me to correct the record. The harsh facts of reality are that the government is very apt at collecting headlines on the front page of their favourite newspaper—it does not happen to be mine—the Toronto Star, which say, “Ontario Wins Transit Bid.” However, the harsh facts of reality are that quite often, about eight or nine weeks later, these bids fail to materialize. Sometimes on page 67, back of the truss ads, there is a little one-column note saying, “LA Deal Off.” That is exactly what happened in that situation and the same thing happened with Detroit.

I would like to send over for your edification, Mr. Minister, a report by the US Comptroller General to Congress, dated 1980, which I believe was, for the most part, the reason for President Reagan’s cancelling most of the people-mover projects. I do not share his views relating to transit—I am very pro-transit—but this report really casts some doubts on some of the fancy things that are going on in transit and it is one of the reasons why the UTDC is now, and will be for a long time, pre-empted from competition in the United States.

Hon. Mr. Grossman: It is not one of the reasons at all, with respect, that they have been pre-empted from competing in the United States. The fact is that President Reagan cancelled those projects for reasons relating to his view of the federal government’s role in the United States in funding urban transit. If you will check with the people in both Detroit and Los Angeles, they will tell you, in both cases, that if they get permission from the federal government to spend the money, they will spend the money on the UTDC equipment.

In the Los Angeles situation, I believe that UTDC has been through all the clearances at

the municipal level, has passed the technical committee, has received approval of council and that it is the only eligible company left in the running if, as and when the federal funding comes through. That is very similar to the Michigan situation.

I believe those are the facts of the case of UDT. I do not think it is constructive to argue as you have done over the years, somewhat articulately though not successfully, with regard to UTDC. It is a little unfair to say that government announces, erroneously, in major headlines that they have won contracts. Those articles were in every case accurate. That Los Angeles ultimately lost the federal funding it required in order to finalize the contract which they had decided to award to UTDC in no way reflects upon the value of that equipment. Nevertheless, I understand your concerns in that area.

With regard to the remarks made by Mr. O’Neil, I will discuss the convention centre and perhaps some of the other matters raised immediately after I complete this response, when we will get into tourism. I would like to say now, on the matter of sales tax on accommodation, that that properly lies within the Treasurer’s competence. The Treasurer ultimately must decide where tax is going to be levied. It was in his budget several years ago that the sales tax was first removed, at that time, on a temporary basis. However, it was reinstated in his last budget.

The Treasurer, as you have indicated, understands the tourism industry and is very much aware of the impact this may have. It is his judgement that at this time, with the tourism industry quite healthy, with the dollar firmly set in at around 83 to 85 cents, and with the success of our advertising campaign in the United States, it is a bearable additional cost for the tourism industry to take at this time.

Mr. Mancini: So you supported it.

Hon. Mr. Grossman: I always support decisions made by my colleagues. I am always 100 per cent supportive of government decisions. You also know that ministers do not disclose what positions they take on various matters.

I can say that the Treasurer is very sensitive to the tourism sector. We will monitor the impact, if there is any, very carefully. If it looks like it is having a serious impact, I know the Treasurer will review it.

Mr. Eakins: It is going back on then, is it?

Hon. Mr. Grossman: The Treasurer has indicated that it is going back on. I have not heard otherwise from him. He has spent a great deal of time with the tourist sector, listening to their concerns about it.

10 p.m.

The Treasurer is also aware that the tourism industry has done very well over the last few years and has had an ever-increasing share of the provincial budget through my ministry, for which we are most appreciative. The tourism industry has largely benefited from that.

Mr. O'Neil mentioned that he had the opportunity to meet face to face with many people in the tourism sector and I think that is very important. Certainly your task force did, as well. I had that opportunity too, both at Northern Ontario Tourist Outfitters Association conventions and in our regular trips throughout the province. We spend a great deal of time meeting one-on-one with tourism operators. I find it a very useful source of input. Tourism Ontario is excellent and a first-class industry association, but I still find meeting with the members of the association individually, often where they carry on business in municipalities, is a very important way to obtain information.

The member also raised the question of helping small business operators to manage their businesses better. I announced, several weeks ago, an update on some of our initiatives in that regard. We have provided some new publications, including a checklist for getting into business, which will cause people to concentrate on the right things before they make the ultimate decision to go into the tourism business, such as making sure they are properly financed, that they have in place all the pieces they are going to need in order to set up the proper operation.

We also have an excellent new outline for the small operator who wants to put together a brochure, as well as a Planning for Profit booklet, which includes marketing plans. It is very comprehensive; perhaps I will bring it on Monday night next so that you can see it. I think you will find it very useful.

Through the private sector, we provide consulting services for the tourism industry. We have been doing this for small businesses throughout the province for some time and now we are moving it for a while into the tourism sector exclusively, so they can have the advantage of private seminars and discussions with private sector expertise in management areas.

As well, you will recall the We Treat You

Royally series of seminars which gave tourist operators for the first time an opportunity to deal with the whole question of hospitality and how to treat visitors. They enrolled their staffs in those training courses.

During the last year we have provided money to members of NOTOA for travel between their places of business, so those more expert in managing could spend some time with their colleagues in the industry and study management techniques being followed in other resorts. Essentially we were bringing together operators in the business to exchange information. We did not get involved in showing people how we think their operation should be run. We were putting people together with the expertise so they could learn from other people in the private sector how to run their resorts better. We are monitoring that management situation very carefully and we will continue to do that over the next period of time.

You also raised the question of the distribution of tourism loans. This year, in the seven months to date, Northern Ontario Development Corporation has distributed 26 loans and the tourist redevelopment incentive program has distributed seven loans in northern Ontario, together accounting for \$3.3 million.

In eastern Ontario the figures are 14 Eastern Ontario Development Corporation loans and six TRIP loans, for a total of approximately \$3,165,000. That figure is similar to the one for northern Ontario.

The total for the three corporations, Ontario Development Corporation, EODC and NODC, is 55 loans, \$3.7 million, and the total for the three corporations under TRIP would be 35 for \$10.3 million. All in all, it is a pretty good balance in the three geographical areas of the province.

At this time I will deal with just some of the matters raised by Mr. Cooke. I will not pretend to deal with all of them since I do not want this to take all of the time of the committee this evening. Some of the matters he raised will be dealt with during the debate on his resolution relating to the auto sector in the next period of time.

I think it is a little unfair to say that the government refuses to acknowledge the crisis the economy is going through. We do acknowledge it and it is a very serious matter for us. Again, I should only say that we are attempting to provide some balance, which is not to say we do not understand and are not concerned about the very serious structural and cyclical problems we are looking at

A question was raised with regard to the auto parts technical centre. As we indicated, we will be providing a compendium when those announcements are made for all of the centres. At the request of the cities some of the information may have to be held confidential to us, although if the cities involved wish to make it public, that is okay with us. I think we will be able to provide sufficient information so as to satisfy members that the decisions made were proper ones.

It may be accurate to say that the Automotive Parts Manufacturers' Association had reservations at the start; they did have some reservations, but I must say, to the extent the APMA had reservations it was largely through the multinational firms that play a major role in the APMA. The small and medium-sized Canadian firms owned by members of the APMA are precisely the target group for the auto parts technical centre. They overwhelmingly supported the need for a centre. In fact, they were the reason the idea was conceived.

As you will recall, we asked the Ontario Research Foundation to do a survey of the auto parts situation for us a year ago and they reported to us the statistics they had found, having surveyed the industry. Those surveys not only indicated a need for an auto parts technical centre, but also the components that should be met by the auto parts technical centre for the small and medium-sized, Canadian-owned, auto parts firms.

Mr. Cooke: Why can we not see some of that now?

Hon. Mr. Grossman: Most of that information will be provided. In fact, the direct result of their input will be reflected in the decisions made. Also, acquiring some of that background information, the collation of that information and working with the APMA and the municipalities is precisely the reason that the decision has taken a little longer than we had originally anticipated.

Quite frankly, the degree of participation from the APMA, the companies and the municipalities has given us a lot of information to work with. We want to be very sure we do not lose any participation we might otherwise get, that everyone has an opportunity to participate and that the centre is not only in the right location but has in it the components that people who have been in to see us have told us at some length they want in the centre.

So we are going through that in a lot of detail and it, frankly, has taken longer than we

expected. On the other hand, I am satisfied that as a result of this rather lengthy process we will get precisely the kind of facility we need and it will be one that works, not only for the area in which it ultimately is located but for all of the auto parts industry.

This evening I have heard again, as we have heard in question period and other places, about the responsibilities of the province, as the opposition sees it, to help out, in particular, the Windsor situation, the Chatham situation and some others. To be fair, problems such as the adjustment of workers in critical times like this properly have been, traditionally and historically, the responsibility of the federal government. That has been acknowledged by them through the ILAP program and what legislators at both levels have to look at is what happens when one government, which clearly has traditionally and properly had the responsibility, fails to develop adequate responses.

It is easily understandable that both the workers who are so terribly affected by this situation and the MPPs who represent the area, of whatever political stripe, should look to any government to come into the situation and solve the problem. In fact the federal government has spent a great deal of time going from crisis to crisis, from situation to situation, whether it is the closing of Via Rail lines or the refusal to extend DREE programs, finding out where they can withdraw services and have the province step up to the table and take over a clear responsibility.

It is an attractive alternative to them carrying the brunt of criticism and political penalty. It is an attractive alternative to them to have the province simply come in and take its already stretched tax dollars and solve their political problem. It is larger than a political problem, it is a moral problem with regard to their role in that kind of situation. They have acknowledged their responsibility in other situations and at this point I am especially distressed that they are not acknowledging their responsibility in these cases.

10:10 p.m.

Mr. Martel: You did in the iron industry when it was going down the tube; that was your responsibility.

Hon. Mr. Grossman: I say that because not only is this situation largely an international one, but to the extent it could have been helped by the national government, it has not been helped. They did not deal with these problems in the budget; in fact, in the last federal budget they clearly compounded the problems.

Not only did they compound the problems by not fighting high interest rates, they also reduced the amount of money available to the province. So at the same time at which, quite understandably, you are asking the province to step in where the federal government has failed, the federal government has given us fewer tax dollars with which to solve the problem if we could.

Further, as a result of the energy pricing agreement entered into a short time ago, there will be approximately \$116 billion or \$118 billion flowing to the governments of Alberta and Ottawa over the next five years. Of that amount, I believe \$56 billion is going to the federal government. There is enormous fiscal capacity sitting in Ottawa now and they ought to be applying it to solve the very problems you have indicated.

Mr. Cooke: Frank Miller says they should cut back.

Hon. Mr. Grossman: Those are dollars that, to a great extent, came out of Ontario; not all of them, not even most of them, but a great number of those dollars came out of Ontario. Unless they are recycled back into our economy in order to solve some of the problems they have either helped create or certainly have not ameliorated, then there will be a large injustice heaped upon our residents.

It will be heaped upon us in two ways; first, because of the social havoc wreaked in the homes of the unemployed workers. It will also be spread across our economy by having oppressive rates of taxes which will have to be taken up by this province if we are going to step in and solve some of these financial problems which the federal government refuses to address. That is the sort of problem you get into. It becomes self-defeating; there is no way out of that particular problem.

I feel very strongly that the criticism, the burden of responsibility ought to be properly placed. Again, I want to say I do understand the members of any political party from an area affected looking to any level of government. Indeed, the laid-off workers understandably will look to any level of government to help solve the problem.

For our part, I will not take the time of the committee to repeat the number of initiatives we think we have mounted in order to assist job creation in the short, medium and long term.

Mr. Cooke: There is nothing in this that attacks the structural problems.

Hon. Mr. Grossman: You have heard them. I am not going to convince you this evening that they are adequate and neither could anything I say on any evening convince you they are adequate. But I must say we spent a great deal of money to try to stimulate jobs, in the short, medium and long term, in a great number of municipalities.

I know the flashy things are few and far between. They do not happen in any jurisdiction very often. The Volkswagen plants do not arrive too often. The Ford engine plants, the convention centres, those things that are large and expensive and create a number of jobs do not happen that often; they never do.

They do not happen in very many municipalities. But in the figures you see before you in the estimates book, the figures I talked about a moment ago concerning the Ontario Development Corporation, there is a great deal of money, a great number of jobs involved through our ODC programs that get little or no visibility. A tremendous number of jobs are created which you do not read about, which are not the subject of controversies in the assembly day after day, but literally thousands of jobs in every part of this province are created. It happens; it is continually happening.

It is interesting to note: I can go into an area and get accused of going in to do some ribbon cutting at the opening of a new plant which houses 12 or 15 workers. It is a major news event. All the media from the outlying municipalities, cities and towns will be present; it is a big, happy event. All the municipal officials are out and all the local MPs and MPPs are out.

But when a tourism operator expands from 60 to 80 employees as a result of an ODC tourist loan, as a result of the tourism redevelopment incentive program, or just as a result of increased business which I hope is in part due to our advertising campaign, if employment is increased from 60 to 80, there is no headline, there is no ribbon cutting; MPPs, MPs, the local mayor are not present. But that job creation happens out there. It continues to happen every day.

I will not get into the numbers game this evening; I may get into the statistics later on as more questions are asked. We have the job statistics here. They are different. They show a different case. For example, they show unequivocally that the number of people at work this year in Ontario is up over last year.

Mr. Cooke: But don't you agree the number of unemployed is greater than it was last year too?

Hon. Mr. Grossman: The statistics show there are 54,000 more manufacturing jobs this year in Ontario than there were last year.

Mr. Brandt: It is also true in the United States.

Mr. Cooke: It is not true right across the country.

Interjections.

Mr. Chairman: Gentlemen.

Hon. Mr. Grossman: The fact is the numbers will show, they are proof positive, that all of the less visible but very meaningful programs of this government, together with the economic climate that has been maintained even through very difficult times, those two things are allowing a lot of job creation in small and medium-sized businesses, mostly Canadian owned, in our jurisdiction to carry on.

Our problems to date have been in the large sectors: in the farm machinery business, in the auto industry, quite obviously. Those are the ones that are largely uncontrollable by provincial governments. The opposition has been relatively fair, I must say. They cannot pretend that those problems can be solved by a provincial government in the short or even medium term. There is a very legitimate question as to whether they can be solved in the long term.

The kinds of things we can do in the large sectors are the kinds of things we have done: Help out Massey-Ferguson—in spite of all the articles. The Ottawa Citizen article implicitly criticized the Massey-Ferguson deal by saying that governments have to stop helping withered, old industries, or something like that. That is a direct slap at the Chrysler deal where we did not participate, of course, and the Massey-Ferguson deal where we did participate. Those are the things those editorialists refer to.

What can a province do in those large sectors in the short term? What we can do is provide some prop-up support, no question about it, to make sure they are still in business if a cyclical upturn comes.

I have to say to the members here and to members in the House and to the people of Brantford: I make no apologies if ultimately Massey-Ferguson does not make it and we find our \$78 million is called upon and we end up with nothing for the \$78 million. I would be very unhappy if that happened, but I would still be satisfied that we bought time to give the workers there a chance to be in business and to be the ones called back instead of International Harvester workers in the United States and John

Deere workers in other places; yes, and there are some workers in the other firms in this province too.

I want our workers at Massey-Ferguson to have every chance to be there and I want that firm to have every chance to be there when they come back. I cannot be sure they will be back. We cannot sell enough wheat and grain to make it happen and we cannot lower interest rates. We cannot change all the circumstances that are reducing the demand for those combines; we cannot raise commodity prices, but we can take the criticism from the Ottawa Citizen and others for getting into the prop-up business. We can be willing to take that as a government in order to buy some insurance for those people so they will have a chance to get back. That cannot be the main game of government and it is not.

Having said that, I want to talk for a moment—

Mr. Cooke: You have to understand too though when the opposition parties criticize a particular deal; for example, the Massey-Ferguson deal. It really was unfair for you to say that we were opposed to the jobs in Brantford. I understand that you are concerned about saving those jobs and you understand that I am concerned about them. We have a different philosophy of how those jobs could have been saved.

To be fair, you should recognize that and should have recognized in the spring that it was a legitimate concern of the opposition parties to want to see what kinds of job guarantees you actually did have in the agreement with Massey-Ferguson. We still would like to see them.

Hon. Mr. Grossman: I thought that information had been provided to you. I apologize and it will be.

Mr. Cooke: It still has not.

10:20 p.m.

Hon. Mr. Grossman: It shall be.

Quite seriously, I thought I was careful to say you were opposed to passing the legislation, not that you were opposed to saving those jobs.

Mr. Brandt: Mr. Minister, could I have a supplementary on that?

Is it not fair to say the option which was being proposed by the opposition was not available to the government? It is one thing to put up an option and ask why we did not pursue this particular approach. I recognize that during the entire Massey negotiations a number of different options were considered. The negotiations were extremely sensitive and Ontario got the best deal it could possibly get at that time. Now

to suggest you are not in favour of those workers going back to work is a fair criticism since there was no other option available. I feel quite certain in my own mind that the government—

Mr. Cooke: No, wait. You misunderstood the arguments of the opposition.

Mr. Brandt: I was listening to the arguments of the opposition.

Mr. Cooke: Not closely.

Mr. Brandt: I know what you were proposing. Why did you not ask the minister if the option your party proposed was available to them?

Mr. Cooke: What was the option we were proposing?

Mr. Brandt: You were proposing some equity in the company.

Mr. Cooke: That was one of the options. We were suggesting though that there be—

Mr. Brandt: Why did you not ask whether or not Massey would go along with that particular option?

Mr. Cooke: The main reason for the opposition is the actual piece of legislation, or the actual hoist motion that was put forward was simply to wait for information—

Mr. Chairman: I would suggest we let the minister finish with his reply. We can get into this debate during votes on the appropriate issue.

Hon. Mr. Grossman: No. There is some comment in that. Equity was not available.

Mr. O'Neil: They still took your money though.

Hon. Mr. Grossman: Let me talk—and you are opposed to that?

Mr. O'Neil: No, I am not opposed to it, but—

Hon. Mr. Grossman: Okay. Be careful what you—

Mr. O'Neil: —what you are trying to imply is they were dictating to you what you were going to do. You are a little bit more in the driver's seat when you start handing them that kind of money.

I just think you should have taken a little more strongly some of the stands which should have been taken. I do not really go for the arguments which have just been given either by you or one of your members.

Mr. Cunningham: We will tell you in six months if you are a failure.

Hon. Mr. Grossman: If you want to talk about the Massey deal, I do not mind.

Mr. Cooke: We cannot talk about the Massey deal until you have given us the information. Both the opposition parties are at a disadvantage when we do not have a copy of the deal.

Hon. Mr. Grossman: You know at this time the basic undertakings which were provided by Massey. You know the degree of assistance we provided and the degree of assistance provided by other parties and the terms. I would only say this. A negotiation is simply that; it is a negotiation. One never knows when one could have made a better deal, when one was too hard or too soft. If you are too hard you risk losing it and if you are too soft you have given too much.

I must say I am quite proud—I am sorry I have to say it, but I also do not hesitate to say it—about the current negotiations we have been involved with with regard to the diesel engine options for the Windsor area or the Chrysler situation. We were quite clearly the toughest government in North America to deal with Chrysler and the only government that had the courage to risk a great deal, politically. We were the only government to withstand a great deal of enormous pressure brought upon us from the highest levels to cave in and make an easy and rich loan guarantee to them. We withstood it.

We established a very good record at that time as being a hard, difficult negotiating team. We carried that on through all the other things we have been involved in—the Massey and the Volkswagen situations. I have to tell you, I sat at the table in all of those situations and came in at what I considered to be the appropriate times. At several stages in all of those negotiations, we were saying to ourselves, “I hope we have not lost the deal,” but we had to be willing to run that risk in order to make as good a deal as we could.

Other governments involved in all of those deals were jumping over themselves and willing to give away a great deal of money simply in order to get the deal. Money was no object.

Mr. Cooke: I would love to see a debate between you and Herb Gray in a room without the press.

Hon. Mr. Grossman: He got very little that night in our case, I have to tell you. In each of those cases we have talked about, the other parties at one time or another said, “It is clear Ontario wants no deal,” but they came back to the table just as we thought they would.

Now that takes a great deal of effort. I have to go home and sleep at night too, and so does the Premier (Mr. Davis), who was consulted on all

of these, and so does the Treasurer. We had a lot of workers in Brantford, in Barrie and in Windsor on the Ford thing, in which I was not involved, and in Chrysler, where we had workers and dealers all over this province. They had to sleep at night too. There were a couple of nights in all of those deals, including the Volkswagen deal, when we went home understanding there was no deal and it was lost. But we had to run that risk.

I tell you, it would not have been very comfortable if ultimately the blame was laid upon this minister and this government for thousands of jobs being lost. But we had to run that risk. I am quite prepared to defend our role in all of those negotiations.

Mr. O'Neil: You have to defend your role and we in the opposition parties understand you were up against some pretty sharp negotiators. You may feel you got the best deal and there was not an equity position available; maybe you are the winners and maybe you are not, time will tell. You are trying to tell us you got the best deal, but as I say, you were up against some pretty sharp negotiators and maybe they got the best of you.

Hon. Mr. Grossman: Of course, there is no absolute judge of that.

Mr. O'Neil: That is right.

Mr. Cooke: After talking to Jack Horner for 45 minutes about the Ford deal I am not sure we were on the same par with negotiations. The Ford Motor Company faced our federal negotiator; Jack Horner was our negotiator for the federal government. His recollection of the Ford deal was very interesting.

Hon. Mr. Grossman: Listen, you get points just for talking with Jack Horner for 45 minutes.

Mr. Cooke: I had no choice. I was sitting next to him on an airplane.

Hon. Mr. Grossman: I feel sorry for you.

In any case, I want to say there is no absolute judge and there never is in negotiation. I can only say it is our belief—from the feedback we have had from the other parties, the other side, through consultants and people on the fringes of the deal—that in all of those cases they went away very impressed with my negotiating team. David Girvin, now head of the Ontario Development Corporation, usually led the negotiations for us in this, right down to the end.

When this is juxtaposed to the other governments involved in these negotiations and the other parties in these negotiations, I want to say I am very proud of the expertise we brought

together, whether it was from inside this government or from outside. We had a combination of both. I was able to go to those tables and not feel intimidated by the fact I was facing panels and panels of consultants and experts and people who had spent their whole life in the farm machinery industry, or the auto industry.

I understood they lived that 24 hours a day and had done it all their lives. But in all of those cases we were able to put together excellent information, inside information, and a lot of critical economic analyses. At no stage did I feel I was outgunned by the talent on the other side. I felt I had as much talent behind me, or more, than the other parties did.

There is no absolute judge. I can tell you, I could have slept at night—it was difficult—if some of those deals had been lost, because I was satisfied I did what I was being asked, and in some cases it was unreasonable. Ultimately I ended up being able to sleep at night because I was satisfied we had struck a deal and saved the jobs. I had not given an unreasonable amount and I went away comfortable.

I was also able to sleep at night and still am because I know we had expertise in my staff. We had courage and we hung in there through long hours of negotiating.

Enough about all that.

Mr. Cunningham: You got all those delegates too.

Hon. Mr. Grossman: There were no delegates there.

We only have four minutes and I want to talk a little bit about the resource machinery sector, because some points have been raised, a lot of which are accurate—not all of them, but a lot of them are accurate.

Canada finds itself in a difficult position right now. To date, we have had, in terms of world-scale markets, limited domestic demand for each type and size of machinery. Even as these developments have continued to even greater gaps in the range of machinery products made in Canada, this has led to a diverse market, one that has changed. It has been difficult for a lot of firms to get into the business and get a large enough market size in Canada to make it economical.

The branch plant orientation has indeed had adverse implications in a lot of ways—R and D and exporting, to name two of them. There is no question that it has been reflected in the kind of production units we have, in assembly-type operations and in fragmentation. Those are realities as we find them today in that sector.

It is a fair comment when people say governments should have done something, but given the way things developed in Canada, I am not sure they could have, on balance. From my background in government I would have to say that 30 and 40 years ago, when a lot of these problems surfaced and the opportunity surfaced for the first time, yes, probably more could have been done then. Today we find a lack of international stature. The financial structure of most of the companies is relatively weak and the degree of foreign ownership has kept them fragmented and without the indigenous R and D capabilities necessary to get back in and dent that huge deficit you were referring to.

10:30 p.m.

That is not to negate or downplay the international policies that militate against our now cracking international markets. There are a lot of foreign nontariff barriers in this sector which are very difficult for Canada to crack.

Concessional financing practices, as you know, are rampant in other countries and almost absent in this country. We even have in this country local preference policies of provincial governments and utilities which fragment our already too small Canadian domestic market.

Those problems are not going to be solved easily, but we are trying to solve some of them with the resource machinery initiative we are taking in Sudbury. We have been absolutely delighted with the degree of response we have had from all segments, including business, labour, suppliers and the large resource companies. That has been another example of where the response has meant taking more time than we anticipated.

To be fair about it, cracking that deficit and turning it around is a long, difficult job. But I think the initiative we are going to mount in Sudbury will be one of the most important initiatives ever taken by a government in this country to try to deal with that problem. If business and labour, and perhaps the educational institutions as well, respond in the ways we think they will, we will have taken a fairly fundamental step.

Mr. Chairman, I would like to continue with import replacement. Do you want me to begin on that?

Mr. Chairman: How long will it take, Mr. Minister?

Hon. Mr. Grossman: I will just cite one example of import replacement, because this point was also raised. Import replacement is something I am particularly proud of because we decided this past year to pick one sector, health care, and get into a nationwide import replacement program.

We persuaded all the other governments, including the federal government, to come along with us on this test case, which is a \$1.2 billion market of which imports into this country account for 75 per cent. We are now waiting upon an audit of the program, because if the success of that program is proved, it will mean that we will be able to work with those same governments in some other sectors which we have already identified.

Although the audit has not yet been completed, it is pretty clear that the health care industry in Canada will see in excess of an \$80 million increase in sales, \$80 million or more in plant expansion involving over 50 companies and over 1,000 jobs. How much of that can be attributed to the program I cannot say, but to be fair I have to say that some of it is certainly a result of the program.

We now have a concrete example which will shortly be audited and I think the audit will show we met or exceeded our expectation by turning it around by at least 10 per cent in one year. It is a success I am rather proud of and an example of something I was talking about earlier as not having much profile, or not being the subject of controversy.

Its success is the result of excellent civil servants in our import replacement division and domestic marketing, headed by Peter Wilson and some people working with him. They have done a splendid job in bringing the industry together with the purchasers across Canada and, in fact, in dealing with their counterpart civil servants in other governments, whom they convinced that an initiative brought forward by Ontario should be listened to and tried. It is really quite a success.

Mr. Chairman: Just before we adjourn this evening, I understand that the committee members wish to proceed with vote 2304 on Monday evening, which is tourism. We will start on that then at 8 p.m. Monday evening.

The committee adjourned at 10:32 p.m.

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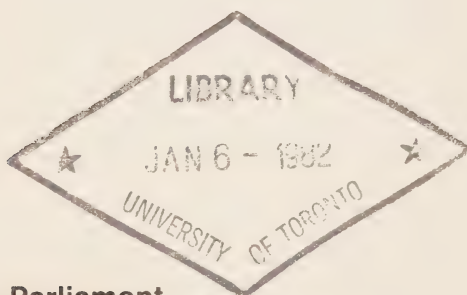
Legislature of Ontario Debates

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Standing Committee on Regulations and Other Statutory Instruments

Estimates, Ministry of Industry and Tourism



First Session, Thirty-Second Parliament

Monday, December 7, 1981

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Monday, December 7, 1981

The committee met at 8:05 p.m. in committee room No. 1.

ESTIMATES, MINISTRY OF INDUSTRY AND TOURISM

(continued)

The Acting Chairman (Mr. Brandt): Members of the committee, in the absence of the chairman, I recognize a quorum. In the interests of getting under way on time I will get the meeting started. We have passed the magic hour of eight and I think we should get moving.

I do not have the list the chairman may have had with respect to the speakers who were already on the agenda. I believe the minister was responding at the time we finished the last meeting, so I will try to pick up from that point. If there is any disagreement with the order of speakers, please advise me, because I am simply going as I recognize you now. Mr. O'Neil was on the list. Is there anyone else?

Mr. O'Neil: We are dealing with tourism. We are going to do that vote first.

The Acting Chairman: I am getting a nod of agreement that we are dealing with tourism. Are we starting with your response now?

Hon. Mr. Grossman: I just had one or two things to add to my earlier response—as the chairman arrives and takes his place.

The Acting Chairman: Do you see how fleeting power is, gentlemen?

Mr. Chairman: Sorry, my apologies.

Hon. Mr. Grossman: Some questions were raised the other night with regard to helping small business operators, tourism operators in particular, in learning how to operate their premises in the most efficient way possible. I brought for the members of the committee three of the publications I referred to. The first is called *Four Ways We Can Help Ontario Tourism Operators*, the second, *Professional Tips for the Professional Lodge Operator on producing a Professional Quality Brochure*, and the last one which is—

Mr. Wildman: How about professional quality lake trout?

Hon. Mr. Grossman: That one will be out next year. Mr. Pope is putting that one out.

Finally, our major new addition to management sequence here is a major book, called *Planning for Profit*, which can be used as an everyday work book and work sheet for operators in finding out what their business really ought to be, what their market is, what their real profit margin is, where their business is coming from and so on. I will ask Mr. Laschinger, who has joined us here, to have these copies distributed to every member of the committee so you can look at them. That was all I wanted to add at this time.

Mr. Chairman: I believe when we left last week the consensus of the committee members was that this evening we would discuss the tourism development program, which is the fourth vote. I presume that is still the consensus of the committee members and that we will proceed with vote 2304. I am open as to how much time members of the committee feel we should spend on this particular vote.

Mr. Eakins: I think it is safe to say it should be about half the time. If one part of the ministry is as important as the other, then I think it should be given a lot of consideration.

Hon. Mr. Grossman: It is 40 per cent of all our expenditures.

Mr. Eakins: So it should receive 40 per cent of the time.

Mr. Chairman: We have a little over seven hours left in estimates and we have two and a half hours to do this evening. I think, if members are in agreement, that would probably be an appropriate amount of time to spend on this item.

On vote 2304, tourism development program:

8:10 p.m.

Mr. O'Neil: In the remarks I made during my opening statement it was brought out that, as minister, you deal with approximately 14 other provincial ministries whose actions affect parts of the tourist business. Could I have your comments on how you are dealing with that

problem to make sure that one minister is not acting in a certain area without your knowledge, or on how such actions affect the tourist operator?

Hon. Mr. Grossman: There are several mechanisms, one being our policy field where we have had some success in making sure that those kinds of across-ministry projects are discussed in depth.

I think of the joint program taken with Natural Resources to maximize the tourism potential of provincial parks. There was a great deal of discussion, and ultimately agreement reached about a year and a half ago, in regard to a number of things including development of the provincial parks and promotion and marketing of the provincial parks as part of an integrated tourism package for the province.

The policy field also has matters relating to access roads in the north. All of the Natural Resources matters which overlap with tourism's needs and demands are brought to the policy field before they ultimately reach cabinet and subsequently the point of public announcement.

Most recently, we acquired sufficient complement to hire a northern Ontario based economist, who will be working with us to put together the case for tourism operators and the tourism industry generally with regard to decisions which are chiefly the responsibility of Natural Resources inasmuch as they relate to resource forestry management and so on in northern Ontario. The economist will be working full time in the north to collate the information and present the economic arguments on the side of tourism.

That person will be presenting those arguments from the initial stages; that is, the point at which Natural Resources begin to deal with some of these questions in their own ministry, and will be reporting back to us on a regular basis to keep us informed of the key points of decision. This will help us in our overall understanding of Natural Resources' initiatives and will help them in their understanding of our concerns in the tourist area.

Other mechanisms that the government has developed include the joint signing committee in which my ministry and the Ministry of Transportation and Communications participate. Two or three of my people serve on this committee to review the matter of highway signs, which is a constant problem. Frankly, there has not always been the degree of flexibility in favour of the tourism sector that I would

like to see. But that committee is working well. There have been several occasions over the last few years where fairly major decisions have been made by that signing committee as a result of our ministry's involvement.

There are quite a number of committees operating. I will just mention one other example of where there is an opportunity to work together with other ministries and that is the two or three times a year when Tourism Ontario, or one of the constituent groups, go in to see one of my colleagues about various matters—Consumer and Commercial Relations in the case of liquor legislation, or with the Treasurer (Mr. F. S. Miller), most recently in the matter of the accommodations tax and about various budget matters in his spring budget—or in meetings with various constituent groups.

We are always in attendance. We often work with the groups as they present their cases and we are there to advocate before, during and after the presentation to a sister ministry where the ultimate decision is one which chiefly lies in their bailiwick.

There are, of course, cases where we would have liked to have seen a different decision. In the government process, as in anything else, you do not win every time. None the less, I must say there is a full and complete exchange of information, an appropriate amount of dialogue, which I think on balance has worked out fairly well for the tourism sector. We continue to work with our sister ministries to iron out areas of disagreement, and areas where decisions could be made a little more quickly.

Mr. O'Neil: With regard to the reinstitution of the seven per cent sales tax in the Treasurer's statement on Friday, you mentioned that you will be monitoring this situation to see whether or not it has any serious effect upon the tourist business. How do you propose to do this?

Hon. Mr. Grossman: We will be getting reports from the tourism industry through a lot of mechanisms. One, of course, will be Tourism Ontario, which itself is going to monitor it very carefully. It will keep us informed of any deterioration in reservations.

Second, we will be monitoring it through our field staff, which is spread throughout the province. They are in pretty close contact with their client group and will be reporting back to us.

Third, I would hope that the travel associations would be in a position to report back to us through their managers or the presidents of

their various travel associations, to let us know if their particular area of the province is suffering at all from the tax.

Mr. O'Neil: I also raised in my opening remarks the question of the property tax reform. People in the tourist business have reported serious concerns to me in letters, and no doubt you have received similar letters. An example is the letter I received some time ago from the Park Place Motel in the village of Tweed, which is just north of Belleville. It is addressed to our leader.

Interjection: Which one?

Mr. Boudria: At least we have a lot of material for leadership.

Mr. Eakins: Mr. Chairman, all our future leaders are working in the open and not behind the scenes.

Mr. O'Neil: Is it all right if I begin?

Hon. Mr. Grossman: Try again.

Mr. Brandt: You started this.

Mr. O'Neil: "I am contacting you with regard to the taxes for my motel. My main concern is that this new section 86 of the Assessment Act in which my property tax has jumped to an amount which is out of the question to pay. In 1979, my taxes were \$2,259.50. After the new assessment, thanks to the Conservative government, my taxes are now \$6,276.72. This is an increase of \$4,017.22, which I believe is too much of an increase in the period of one year.

"How is it possible that the government can tell me that I can only raise my house rental a maximum of six per cent and then turn around and raise my taxes over 200 per cent?" The letter goes on.

Mr. Minister, you must have received similar letters. Some of these tourist people are really having some problems. In many cases a lot of their property consists of land they are being taxed on too. What sort of representation have you made to the Treasurer on this, or what suggestions do you have for assisting these people?

Hon. Mr. Grossman: We have made extensive representations. We have had a lot of meetings with both Treasury and Revenue on the subject. I should say some very important and sensible deputations were made by the Ontario Hotel and Motel Association and by Accommodation Motel Ontario Association.

Mr. O'Neil: The campground owners?

Hon. Mr. Grossman: I am referring to the two

I happen to have seen. I do not think the campground owners have put together a comprehensive paper.

The Ministry of Revenue would acknowledge there is merit in some of the cases that have been made but, quite frankly, has not been able to resolve some of the concerns to date. We are working with them to try to deal with questions such as what is the proper evaluation for tourism property. The valuation put on tourist operations can vary considerably for a single operation. It could depend on whether it was bought as an ongoing business or if it is valued as just a piece of valuable vacation property with a lot of lake frontage.

There is disagreement with regard to how some of these properties should be valued. For example, when property is being valued on the basis of revenue, profitability and so on, what period are you going to use? Are you going to determine the market value of the property given its operations for one year, or should you value it over a longer time frame to get a better value?

Mr. O'Neil: In 1978 you said as minister, "We simply are not prepared to stand by and let operators be taxed out of existence." Here we are three or four years later. Is the government still looking at this? Is there not something that we can do to assist these people?

8:20 p.m.

Hon. Mr. Grossman: As you know, it is one of the problems to be resolved under the whole question of market value assessment. That is how it gets to the fore. Obviously, there is no question about the fact the government has decided not to go ahead with market value assessment across the board this time and has gone to the section 86 option in some categories. But I believe I am right in saying that section 86 will not help the tourism industry universally because it is just shifting the dollars in that same category under 86. That is why we are looking at some other things with Revenue, to determine the most fair thing to do in these circumstances.

Of course, it does not just affect the tourism sector. There are other sectors that are dramatically affected as well.

In the period until the market value question is finally resolved and an alternative to market value is developed and proceeded with we are going to have the odd case, and happily to date it has been only the unusual cases like the one you have mentioned that have caused some prob-

lems. Those that have had a particular problem are being looked at by Revenue. We are often asked to advise on those matters.

In the vast majority of cases, of course, as we have seen from the tourism statistics, as we have seen from our Ontario Development Corporation figures and everything else, tourist resort operators are not, by and large, or even to any meaningful degree, being taxed out of business.

Mr. Eakins: A supplementary: On this point my colleague has raised, the tourism industry is a land-intensive business. It is different from operating a small storefront and being able to make it a going business and make a good profit in a very small area.

Tourism, by its nature, is land intensive and therefore tourist operators have to have a lot of acreage, which really is not the case with other types of business. Therefore I feel consideration must be given to perhaps even a special category for the tourism industry. It is completely different from most types of business.

Hon. Mr. Grossman: Most of these questions are most properly raised with the Ministry of Revenue, but I should say that the Ministry of Revenue, if it succeeds in arriving at a fair market value, would have succeeded in addressing the concerns of the tourist operators. It is a question of what is true market value.

You are quite right. It is what I was referring to a moment ago with your colleague. In some cases it is unfair to value it simply in terms of the revenue the establishment is producing. In other cases it is equally unfair to do it on the basis of the land itself, as the business being carried on upon the land is not producing the kind of revenue and the kind of profit that would justify extraordinarily high taxes because you happen to have a great piece of lakefront property with extensive frontage on a lake.

It is very much a question not only of market value but of how you arrive at it. I think one of the things everyone is saying is that in the tourist sector it is very difficult to apply a standard rule, unlike, as you have indicated, a storefront operation where you look at revenue.

Mr. Eakins: They do have a special concern.

Hon. Mr. Grossman: Oh, yes, and as I say, we continue to work at it with our sister ministries. All of us share the concern with regard to how one establishes what is really a fair market value.

As you also know, the problem is compounded a little bit by the fact that in very many areas of the province we do not have a large

turnover—again happily—of tourist operations. Therefore, the establishment of the true market out there lacks some benchmarks.

It is a situation which calls for a continuation of intense scrutiny, which we are carrying out along with the other ministries.

Mr. O'Neil: But at present you see no immediate solution to assist people such as this person who has just written in. Would you have any suggestions as to what someone in a situation like this could do?

Hon. Mr. Grossman: You should forward those cases to us, because we will work with Revenue on those special cases and see if we can aid in the analysis of a particular problem on a particular location.

Mr. O'Neil: Very good. Another matter which I wanted to raise—

Mr. Boudria: Sorry to interrupt you, Mr. O'Neil. May I ask a supplementary on that one?

The minister keeps talking about fair market value. Section 86 of the Assessment Act is not even designed for fair market value, it is a redistribution within classes of assessment only. Because it is that way you cannot achieve fair market value, for if your commercial tax base was too high to start with, you are only redistributing within that, so they are still all too high.

You have been in municipal office and you know that if you implemented that in a municipality—we did in ours—you relieve a few of the inequities, but it is really unfair at the land intensive places because you can never achieve fair market value under that system. Until we go to full market value assessment I do not see how you can ever achieve fairness. Although you have section 86, market value assessment, those land intensive places should be removed from it until you go the full market value for everything.

Hon. Mr. Grossman: That is the complex market value, section 86 problem. I cannot add anything else to it.

Mr. O'Neil: Going on, Mr. Minister, one of the other matters I sort of touched on in my opening remarks dealt with the hours of operation of some of the tourist establishments. I would like to read into the record another letter sent to me by Ken Willcocks, chairman of the Ontario Hotel and Motel Association.

"May I please write to you in my capacity as vice-president of the Ontario Hotel and Motel Association which represents specifically those establishments licensed by the LLBO.

"Shortly, you understand, MPs will be asked

for their opinions on three changes to existing regulations and in order to make you aware of those changes in advance, I would like to give you a brief explanation of each.

"A. Change to 11 a.m. opening hours from noon: Particularly in the cities where employees have staggered lunches, it seems unfair that those on late lunch break can have a beer or a cocktail, but not those taking an early break. In addition, many persons are now eating Sunday brunches from 11 a.m. on and are perturbed when told they may not have a drink. By 11 a.m. all those who intend to go to church are in their pews.

"B. To change Sunday closing from 10 p.m. to midnight: We really do not understand why Sunday, after all church services have ended, should not be treated like any other day.

"C. Extended hours of operation to 2 a.m. when specifically requested: To those properties close to the Ontario border, it is very annoying to have all the patrons making their exit at midnight, to make the five-minute crossing into Quebec or New York. We do not want a blanket approval provincewide for 2 a.m., but feel that our border members should be allowed even competition for the business and the tax revenues. Especially to the younger set, midnight is about the time to start swinging.

"Please may I request you to consider the implications of these changes and I hope that you will be able to assist our industry, which fights hard to provide jobs and from whom the Minister of Revenue derives a large income."

I wonder if I could have your comments on those three suggestions he is making.

Mr. Eakins: And when will the announcement be made?

Hon. Mr. Grossman: I have been over those changes at length with Tourism Ontario and the OHMA and others. They have put the case very well to my colleagues and I am hopeful we will have some decisions shortly. Obviously, I cannot indicate what my own views are on that matter because that too is a cabinet decision.

Mr. O'Neil: When you say shortly, how shortly do you mean?

Hon. Mr. Grossman: One never knows.

Mr. O'Neil: One, two, three years?

Mr. Eakins: Before the House adjourns for Christmas?

Hon. Mr. Grossman: I can assure you it will be an eminently sensible decision when it is made.

Mr. O'Neil: So you have no idea at all when you will be making an announcement concerning one or all of these?

8:30 p.m.

Hon. Mr. Grossman: I will not be making the announcement. My colleague, the Minister of Consumer and Commercial Relations will be making an announcement if there are changes to be made, or indeed if there are not he will make the announcement.

Secondly, if there are going to be changes I hope cabinet reaches a decision fairly soon, because that does affect some of the advertising, some of the literature that may be distributed by the tourism sector for this coming summer season. I have been encouraging my colleagues to try and reach a resolution as soon as possible and I hope we will.

Mr. Chairman: Gentlemen, Mr. Runciman has a supplementary.

Mr. Runciman: Mr. Chairman, through you to the minister, when you are making reports to your colleagues in this regard I would just like to mention one other problem along the border in our area related to the comments already made. It has to do with liquor advertising laws.

It is really a ludicrous situation where we have American bars and restaurants advertising in the Canadian media two-for-one nights, ladies' nights, "all the beer you can drink for \$5," and the Canadian people have to compete.

The Canadian restaurant and pub operators who have to compete with the Americans are faced with higher prices to start things off. They have to do things like advertise "steak and vine." They cannot even say "wine" in their advertisements in the same newspapers the Americans are allowed to advertise in. It really puts our people in a tough situation and we would appreciate it if you would also make our views known to the minister on that one.

Hon. Mr. Grossman: Yes. Of course, I come from one year in the Ministry of Consumer and Commercial Relations where we dealt with a lot of those problems and made some changes on the advertising side. I am well aware of some of those problems.

I must say that we continue to try and fine tune things. There are some irritations that I do not think will ever go away, but I am very sensitive of the concerns of those tourist operators.

One of the misfortunes of being near the border is that the very liberal laws across the border—which I do not think have operated too

well in terms of the social lifestyle there—do impact a bit on the tourist sector for those border communities. We continue to try and fine tune those things. In fact, the situation we had in Windsor for the Republican convention was an example of an attempt to fine tune it or to make sure that Detroit did not get all the business.

Mr. Boudria: Are you going to do the same for the Liberal convention?

Hon. Mr. Grossman: There will not be enough people there to warrant that. It will be a sober convention.

Mr. O'Neil: One thing I noted in your opening remarks, Mr. Minister, was a mention of "Ontario—yours to discover!" and the advertising that had been done by the Tourism ministry in this regard. I would like to congratulate the ministry on that type of advertising; I think it is excellent. It pinpoints the things that are going on across the province and gives a little more publicity to those events.

I was wondering, do you make requests for input from the different cities, towns or villages; does any correspondence go to them asking that they send in such things to you?

Hon. Mr. Grossman: Yes. You see, the ministry has a fairly good history in this area because we have always put out publications for summer activities, winter activities and so on; a booklet on fall fairs is another one. So we have good links with all of the areas of the province that have had events. All we did was grease that machine a little bit so they could get the information on a more regular basis. Indeed, nothing worked as well as putting out the first newspaper supplement with all of those events listed.

Then we got a lot more information coming in from a lot of areas that were not covered and from a lot of others that had more events they wanted included. Now the system is working very smoothly. I think the last time we put out the "Ontario—yours to discover!" newspaper supplement, for example, we got perhaps 20 letters—not a great volume of letters—from across the province saying, "You missed this," or, "Such and such was left out."

All in all, it is working pretty well. After all, the credit goes to municipalities sending us that information because they care about their tourism.

Mr. O'Neil: What I am thinking of is something like an event we just had, the fiftieth anniversary of the Canadian forces base in

Trenton which attracted around 120,000 people last summer. I am just wondering if, in some type of advertising you might run some sort of an ad saying, "Holding a special event? Let our ministry know," or something like that. Some of these towns or cities or chambers might realize that, but I am wondering about some of these other organizations

I would also like to mention something about the tour booklets, such as "Yours to discover!" Sometimes in these booklets you describe certain municipalities; for example, Trenton or Belleville. I have received a few comments with regard to the way these municipalities are described and I wonder if some of them might not need to be updated a bit. In fact, I wonder if I could request that you contact Trenton and Belleville and ask them if they would like to provide an update for your book for next year or whether they are satisfied with the writeup you have for their municipalities.

I do compliment the ministry on the excellent newspaper advertisements and on the booklets it distributes.

Hon. Mr. Grossman: May I just respond by saying we have regional marketing meetings with the local tourist operators throughout the province. That is one of the vehicles by which we alert them that special events ought to be fed to us for inclusion. That information usually gets to us by way of these regional meetings where an operator will say, "The following event is coming up; this could be a large draw," and they give it to us and we put it in the book.

We do try to update the material. Any specific municipality that gets the book and does not like the way it has been described is welcome to send us the information, because we want it as current as possible. At the same time, of course, we do not want to set up a huge bureaucracy across the province to face all of that and do double-checking. We would be delighted to check into Trenton and Belleville at your request and see if we can update that copy. If the municipalities would help us rewrite it, we would be delighted.

Thank you for commenting on the type of advertisements being produced. It was the suggestion of the advertising agency two and a half years ago, when we said to them we wanted to have a different thrust. We did not know, of course, what thrust it should be; we wanted a slogan and a logo. John Maxwell and myself, and a group of others, felt there was a need to get away from the straight advertising of a nice setting, the one that might get people to say, "That looks like a nice place to visit."

The advertising agency looked at tourism patterns and came back to us and said: "Having studied the market a bit, it is clear the market is now looking for specific things to do in specific periods of time. They need the information about what to do." From that they developed what we call the retailing type of advertising, as opposed to the previous institutional type.

Mr. Eakins: Did the "I Love New York" success get you involved a little earlier? Did you do a takeoff on "I Love New York"? It was very successful.

Hon. Mr. Grossman: Yes, you will recall my opening statement where I point out the recognition for "Yours to discover" is ahead of the first year of "I Love New York."

Mr. Eakins: No, I was not talking about that. I knew you would be ahead. I just wondered if "I Love New York" got you involved. I think they came out with their program first.

Hon. Mr. Grossman: Yes, I must say that about 10 hours after I got the job I said to the agency, "I want an 'I Love New York.'" There is no question, "I Love New York" was probably the best until "Yours to discover" came along.

Mr. Eakins: That is a compliment for them, that is for sure.

Hon. Mr. Grossman: The New York stuff is terrific; there is no question it is trend-setting. When it was developed, it was the best.

Mr. Eakins: Did you hire their agency?

Hon. Mr. Grossman: It is an American agency. I never use American agencies.

Mr. Eakins: Just for Minaki Lodge.

Mr. O'Neil: Going along with reintroducing the seven per cent sales tax; have you looked at this level of \$6 for meals and the 10 per cent tax on food again? Have you made representation to the cabinet on that or is it your feeling that things should remain as they are?

Hon. Mr. Grossman: All I can tell you is I think the Treasurer has indicated to Tourism Ontario that he is going to entertain a look at the entire system of taxation as it affects the tourism sector as the next budget comes up. If it is not completed by that time, it may be the following budget.

The Treasurer will be looking at that whole area with us, to see which taxes are working equitably and fairly and whether the tax load is fairly distributed.

8:40 p.m.

Mr. O'Neil: There is another matter I wanted

to get some information on. Two or three years back—I do not have a copy of the report—your ministry did quite a study of eastern Ontario and recommended that somewhere in the area between Port Hope and Kingston there should be some type of a major tourist attraction to bring tourists into eastern Ontario.

I wonder whether your ministry has done anything along that line to try to give us in eastern Ontario a little bit of action in the tourist business. As it is now the tourist industry is only in the city of Toronto and some of the larger centres like London.

Hon. Mr. Grossman: Yes, we are, and the purpose of that zone study is to identify opportunities in a given area of the province. We did cover the area of the province you are talking about just a couple of years ago.

The reason we follow that approach is we want to avoid a situation where we at Queen's Park sit down and decide that, because of a certain amount of traffic going—and a good example would be your case—down the Montreal-Toronto corridor which has a great deal of traffic, that would be a logical site for a certain tourist attraction.

There is no question we could sit down and design something that would have a great amount of appeal. We could do some market studies and acquire the land and put something in. It is very difficult to do that, and I think unfair, for us simply to look at it from a commercial tourism side.

The people in any part of the province want to be the ones who determine, through their local councils and their municipalities, just what tradeoffs they want to make in their lifestyle. They want to decide how many tourists they want to have, whether they want the stopover business or people in transit, whether they want intense tourism uses or whether they want mass operations in terms of the motels.

It is very much a matter for the municipalities and the people living in those areas to try to sort out themselves. We try to give them all the tools they require to make those decisions and are delighted to pursue any real opportunities that come out of these studies, which the people in the local areas support and want to see happen.

It is a system that works fairly well and ultimately, when a municipality decides it wants to go for a major tourist project, we will participate in a financial and advisory capacity, getting some private sector partners to go in and develop it and so on. We have a variety of tools. Ultimately we try to show the opportunities, see

what kind of private sector or municipal response we get as to whether they want it or not and then come in.

The only major project that comes to mind in eastern Toronto is in the great city of Cornwall where the Cornwall zoo is being considered. The Timbertown project is very much before us, at the request of my colleague, Mr. Yakubski, who has been working on it for many years.

Mr. Eakins: I thought it was in the Pembroke area. That is Mr. Conway's riding, is it not, Pembroke? Is that a Pembroke firm?

Hon. Mr. Grossman: I am not sure which riding it is in.

Mr. O'Neil: I mentioned something like this because you can take, as an example, the city of Belleville, which is in my riding; the city and the surrounding area are interested in hosting conventions and other things along that line. There are excellent hotels and some of them have very good meeting rooms, but the problem is finding a convention to host that seats not more than maybe 200 people.

We have an application in now through the Board of Industrial Leadership and Development program for one development in the city of Belleville. It would assist not only my own riding, but that of Mr. Sheppard in Northumberland, Mr. Taylor in Prince Edward-Lennox and Mr. Pollock in Hastings-Peterborough.

I wanted to ask you this evening whether any more consideration has been given to that application made—I think it is by Quinte 78 Limited—for quite a large development on the Bay of Quinte for a hotel, convention space and some other things. I wonder if you could give me any sort of an update on whether that has been considered yet, or is being still considered.

It is of interest to all of the members in the area, because it would provide jobs, it would bring tourists in from all over Ontario, Canada and even the United States, because the Trent Canal system is quite close there. It would be important to us in that area.

Hon. Mr. Grossman: Yes. Let me talk about eastern Ontario just to round out things other than those that just pop into my head.

With regard to the Cornwall area, just to finish that thought, we are now cost sharing an attraction study for the Cornwall area with the municipality. It relates to a water-based theme park in addition to the—

Mr. Samis: Slides.

Hon. Mr. Grossman: That is right: a water-based theme park. Water slides, I am sure you support that.

Mr. Samis: All for motherhood now.

Hon. Mr. Grossman: Some people were not in favour of that Windsor hotel the other night. You should have been there.

Further, under the federal-provincial tourism subagreements in eastern Ontario, as you know, we have an eastern Ontario subsidiary agreement with a \$4 million component for tourism. Our information is that to date 16 projects have been approved under that agreement for \$1.8 million. Its components include historical restoration, infrastructure, special events, feasibility studies and general projects with a high level of income and employment benefits. We could get you the complete list of projects if you wish.

Mr. O'Neil: I would like to have a list of projects.

Hon. Mr. Grossman: With regard to the Quinte 78 proposal, it is quite a comprehensive proposal and a fairly good one. I must say it is well known to the department and we have worked with the proponents of that project for some time.

There is now an application in the BILD program on that and it was dealt with in June. At that time it was decided it should be dealt with in the context of a more comprehensive policy for marinas generally, because the application was made under the marinas portion of the BILD program.

Mr. Pope, who is in charge of the marina proposals by virtue of his ministerial responsibilities, has been working on a set of guidelines for consideration by BILD so we can assess the projects in a rather fair and constant way. Obviously one of the things we have to consider is whether the marina component of the BILD program should be allocated to half a dozen major marina operations, or whether the marina program under BILD should be more oriented towards the smaller municipalities. It would cover a lot more areas, but probably with a lower tourist component.

That is being looked at in the context of the number of applications and inquiries that have been made since the publication of the first set of guidelines. Since there was an enormous response to that issue, we thought it was only fair to all these municipalities involved to stand back and have a look at all of the applicants and assess where the BILD moneys were best spent.

It was not only for the tourist component, it was in fairness to the smaller municipalities which very much need some of this assistance.

Mr. Pope was asked to review that with the BILD secretariat and my ministry. That review, recommending a set of guidelines, will be back before BILD in the next couple of weeks, either just before or just after the Christmas break. At that time the Belleville project, Quinte 78, will be brought back for review. I know the people in Belleville are most anxious to have this proceed and I can say to you we should have an answer within perhaps six or eight weeks.

Mr. O'Neil: As I mentioned, I think it would be very important. I do not know whether Mr. Sheppard wants to say a word on this too.

8:50 p.m.

Jobwise, at present when we have a good-sized convention in Belleville or Trenton, the overload goes into all the neighbouring ridings. If we had a larger convention centre which could accommodate this type of convention we would all benefit. I am sure Mr. Sheppard, the member for Prince Edward-Lennox (Mr. Taylor) and Mr. Pollock have been contacted, as I have been, by the people involved. The mayors of those two cities are also quite interested in our getting something along this line.

Mr. Sheppard: Mr. Chairman, perhaps I could make a comment here. At present they have to go the Red Oak Inn, which is a motel in Peterborough that has had a lot of conventions in the last two or three years. I have to support what Mr. O'Neil has said about trying to get additional money for a centre in the city of Belleville. Naturally I would like to have it in Northumberland, but Belleville is a larger city than we can provide and I realize it takes a larger centre to accommodate a convention such as Mr. O'Neil was talking about.

Hon. Mr. Grossman: It is precisely because of the effect the location of a development such as that, and some others, would have on the major centres along that corridor that we are very anxious to work with your municipalities to find the two or three, perhaps even more, places where something fairly substantial can be put in.

We want people coming down that corridor to say: "I am not just going to shoot all the way to Toronto. I am going to stop at two or three places and make it a four or five-day trip." Right now, too many people make the entire trip from Ottawa or Montreal all the way to Toronto, perhaps stopping at Upper Canada Village, but nowhere else.

Mr. Sheppard: Peterborough has one advantage over Belleville in that it has an airport. Of course, we have Highway 401, which I call the superhighway, and a lot of people drive to conventions. But if they are coming a long way, they prefer to fly.

Mr. O'Neil: I think Mr. Sheppard is probably aware that something is being worked on in this area. About a year and a half ago, I raised this matter in the Legislature with the Minister of Transportation and Communications (Mr. Snow).

At the present time negotiations are going on with the Department of National Defence and all authorities concerned to locate a municipal airport at the Canadian forces base in Trenton to service the industry in that area. It would also, of course, accommodate tourists and conventioners from both inside and outside Canada.

This is a matter I propose to raise when we get into the industry part of the estimates, but I thought I should mention, at this point, the negotiations that are going on. I will bring this matter to the committee's attention more fully later on.

Hon. Mr. Grossman: Thank you, Mr. O'Neil. I can give you the list of the eastern Ontario projects that are under way. In addition to the Cornwall attraction study there is the Petawawa outdoor-recreation complex study, Murphy's Point amphitheatre, the Villager Inn feasibility study in the Calabogie area, the feasibility study regarding a provincial hotel in Gananoque, a wilderness tours feasibility study, Rideau Canal events for the one hundred and fiftieth anniversary celebration, Bon Echo provincial park, the Carillon marina and equestrian centre feasibility study, Manotick bakeshop and tea room, host centres for the nation's capital, Bath marina, Frontenac trail centre and interior travel system and Horse People Inc.

Mr. G. I. Miller: Mr. Chairman, is that just eastern Ontario you were referring to?

Hon. Mr. Grossman: Yes.

Mr. G. I. Miller: What about southern Ontario?

Mr. Chairman: If I might interject for a moment, Mr. O'Neil, are you done with your questions?

Mr. O'Neil: I have about two more, if I may.

Mr. Chairman: The reason I bring this point up is that we only have two and a half hours for this and we have seven people who want to ask questions.

Mr. O'Neil: I am sorry, Mr. Chairman.

Mr. Chairman: I am not trying to restrict you unduly, but I would like to point out there are seven other people waiting.

Mr. Stokes: I think you have been very liberal with him so far.

Mr. Chairman: With a small "I," I hope, Jack.

Mr. Stokes: He has gone on for 54 minutes, with supplementaries from some of the others, but I do not think you are allocating the time fairly.

Mr. O'Neil: I am sorry to have taken as much time as I have. I will leave it at that and let some of the other members ask questions.

Mr. Chairman: Thank you, Mr. O'Neil.

Hon. Mr. Grossman: Thank you, Mr. O'Neil. I appreciate your remarks.

Mr. Chairman: Mr. Cooke, do you choose to act as the tourism critic, or do you defer to Mr. Stokes?

Mr. Cooke: I will let Mr. Stokes speak.

Mr. Stokes: Thank you, Mr. Chairman. Mr. Minister, I have read with a good deal of interest a lot of the backup material you have provided for these estimates. You paint the tourist industry in very glowing terms and I do not doubt that a good deal of the information contained in the material provided is accurate and factual.

However, before anything else I want to get into a philosophical discussion with regard to tourism and whether we may be placing too much emphasis on the overall scheme of things—I am thinking of Ontario as a whole—and not specific instances where you or other ministries are spending money to attract tourist dollars to various areas of the province. I am going to speak in a sort of regional context, a parochial context if you will.

To get into it, I draw your attention to a series of articles that appeared in the Thunder Bay papers dealing with the labour force, job opportunities and industrial expansion, which includes tourism, as a result of a study at Lakehead University. Just to set the scene, the first article says—and this refers to Thunder Bay—"Labour Is Leaving: City Work Force Drops 25 Per Cent Since January 1980." It also says, "Most college grads work in the region." In other words, if you are a graduate of Confederation College of Applied Arts and Technology, there is a fairly good chance that you are able to find employment based on the skills you have acquired at that college. However, if you are a university graduate, you cannot find a job there and must go elsewhere.

I want to emphasize the need for job opportunities in tourism in northwestern Ontario and in the Thunder Bay area in particular. In this connection I want to refer to a portion of one article which quotes a well-respected fellow from northwestern Ontario, Cliff McIntosh, who is the director of Quetico Centre. I am sure you are well aware of the reputation it has. The article says:

"McIntosh thought the importance of the tourism industry in northwestern Ontario was overrated already. 'Its future prospects are poor due to rising gasoline costs and the costs of travelling to get to remote camps and lodges in general,' said the director. 'As for the rest of the tourists, it is starting to be realized that they are extractive rather than contributing to a region's economy.'

"McIntosh quoted a study produced in Maine, USA, that rated campers, canoeists, fishermen and boaters as the least desirable types of visitor. The study said the environmental impact of these tourists in the form of use of civic services and the cost of park maintenance and garbage cleanup is frequently seen as greater than the dollars they bring into the area.

9 p.m.

"McIntosh said skiers are also generally seen as extractive, cutting their contribution by pooling lodging and food and draining the area's resources in the form of using police, medical and other public services. The best tourists for net cash inflow are conventioners and conference delegates. The economic no-growth trend is likely to continue the population decline in large sections of northwestern Ontario."

The article also quotes someone from Canada Manpower, by the name of Soucie, who said: "Further dramatic job loss is likely since up to one and a half related jobs disappear with every one lost in such primary sectors as forestry and mining."

We all know that because of climatic conditions in northern Ontario, tourism is, at best, seasonal. Some of the ski slopes in Thunder Bay have been able to attract a few skiers from southern Ontario, but the major portion of the outside dollar coming into the economy is from places like Duluth and Minneapolis on weekend tours.

The Maine survey referred to by McIntosh in this article tended to reach the conclusion that that kind of tourist was extractive and did not produce much in the way of tourist dollars. You have said it is estimated that the worldwide tourist market will be worth \$120 billion by 1990

and that Ontario, recognizing this, is going to try to get its share of it. We wonder what role you envisage for our tourist industry in this attempt.

The information contained in this material you have given us indicates that Ontarians are making better use of tourist facilities for a variety of reasons. Maybe they are discovering Ontario. Maybe it is because of the cost of travel elsewhere. Because of the premium US dollar, maybe they think they can get a bigger bang for their tourist dollar by spending it at home.

I perceive a lack of co-operation among the Ministry of Industry and Tourism, the Ministry of Natural Resources, the Ministry of Northern Affairs and the Provincial Secretariat for Resources Development in that if you talk to any angler or hunter you will discover that the opportunities for attracting more people to northern Ontario for a fishing experience or a hunting experience has gone down dramatically over the last four or five years.

You are well aware that the allocation of dollars for the strategic plan for Ontario's fisheries has been reduced dramatically because of austerity in all government ministries, but I would like to know if you are aware of what the Ontario Steelhead and Salmon Fishermen's Association, which is based here in Toronto, said in a letter recently sent to the Premier (Mr. Davis). I will quote four paragraphs from that.

"Dear Mr. Davis:

"Since its inception, angling associations, such as ours, have supported the SPOF program as being long overdue to get Ontario's sagging sport fisheries back on their feet. When the province first allocated additional moneys to the Ministry of Natural Resources to begin the implementation of SPOF, we were convinced that the era of proper fisheries management in Ontario was finally dawning. Now we are disheartened and disillusioned again with your government on hearing that new allocations for SPOF have been drastically slashed for 1981-82 to only \$500,000.

"Since full application of the program will require, at present dollars, an estimated \$8 million to \$10 million more of new money each year, the setback is shocking. SPOF is, for all intents and purposes, dead."

The last two paragraphs say: "If SPOF funding is not forthcoming, one way or the other, it may be too late to save many important fisheries and improve degraded ones.

"The credibility of your government is very shaky with Ontario sportsmen already. We have had far too many promises broken in the past.

The Conservative Party may never regain the confidence of those estimated 21 and two-thirds million sportsmen unless it takes positive steps to remedy what ails our fisheries and, for that matter, wildlife management now. It must start by fully supporting the SPOF program. Will you now live up to that commitment 'keep the promise'?"

"G. R. Jackson, president of the Ontario Steelhead and Salmon Fisheries' Association."

Interjections.

Mr. Stokes: Let me quote another one. A coalition of Ontario fishermen is concerned with the Ontario sport fisheries and this was sent to the government—at least it was dated—March 9, 1981. It is quite voluminous and I am not going to bore you with all of the details. It said:

"Political action and the angry sportsmen:" That is, they are saying to themselves what they must do to get a piece of the action. "You have to ask yourself why some senior ministry mandarins"—and I assume this is in the Ministry of Natural Resources, but since it has a direct bearing on the success of your ministry in the discover Ontario program, I think it is quite relevant to these discussions.

"You have to ask yourself why some senior ministry mandarins have resisted so tenaciously the offshore salmon fishery in the western basin of Lake Ontario, even to the point of deliberate sabotage. Why is there resistance at this moment to the expansion of salmon into the central regions of Lake Ontario? Don't the taxpaying sportsmen in Oshawa, Newcastle, Port Hope and Cobourg deserve as exciting and economically stimulating a fishery as Toronto and Oakville? Surely, ministry personnel are capable of examining the economic impact the fishery has had on the western basin, let alone the incredible \$1 billion salmon-trout sports fishery that exists in Michigan.

"How come the states of New York, Michigan, Pennsylvania and Wisconsin measure their deer herds in the millions while our ministry counts ours in the thousands? After all, deer are supposed to be the most easily managed herbivores in the world. How come the Scandinavian countries measure their moose herds in the millions while Ontario, with massive amounts of crown land, continuously sees figures dropping below the 100,000 mark? Is it possible the timber companies have such political influence that big game habitat is completely forsaken for wood production?"

"How did we ever get ourselves into this

mess? We have all of the resources possible—the water, the land—to make Ontario the outdoorsmen's Mecca for the world, worth billions to our economy, and yet we have failed miserably."

"Where does the fault lie? The politicians and the ministry? Partially, but the final responsibility for this ridiculous situation falls on the shoulders of all sportsmen in Ontario. We simply have not understood the importance of participating in the political system of this country. We did not know how to participate. Because of these facts, our elected representatives do not know we exist and our Ministry of Natural Resources has turned into a personal kingdom for the people who run it.

"I suggest to you that this period of indifference and mismanagement of our fish and game is about to come to an end. Sportsmen across the province are beginning to join riding associations. They are beginning to understand that one vote inside a riding association is equal to 500 during a provincial election. Politicians, listen up! We have some things to say and they are going to be said where it counts. Senior ministry personnel, the comfortable, easy life is over. The bottom line is, produce for the sportsmen of Ontario or look for another job."

9:10 p.m.

Those are pretty strong words, Mr. Minister and Mr. Chairman. I agree that if there is going to be a future for the tourist industry in Ontario—and it does not matter whether it is on Lake Erie or Lake Ontario or on the inland lakes—we are simply going to have to dedicate sufficient funds to make the strategic planning for Ontario fisheries program one that will turn the fisheries in Ontario around.

I suppose to be fair I could have and should have quoted a portion of the article that advocated a user fee. They would agree with a user fee for all sportsmen in the province if they had a commitment that the funds that were collected as a result of the user fee were dedicated to the SPOF program in turning fisheries around.

I know the way the government operates. Everything goes into the consolidated revenue fund and you and your other colleagues have to go there and fight for your portion of it. Then you allocate it in a fashion in keeping with whatever priorities you set for yourself. It is going to be extremely difficult for the Ministry of Natural Resources, which is responsible for the issuance of licences and collecting the fee, to have a definite amount of money collected in

that manner specifically dedicated to the purpose for which the sportsmen have indicated they are prepared to pay.

We have gone through a series of exercises, certainly in northwestern Ontario, dealing with the dilemma they are facing in the sport fishery. I know it is a politically sensitive area. We had a fishing licence, then we took it off, then there was some indication that we should put it back on again. For whatever reasons, the Resources Development policy field has obviously opted against it.

We all realize that there is a shortage of funds. There is not enough money to go around. These people whom I have just quoted speak for the majority of sport fishermen in the province. If you could convince your colleagues that they should implement a resident angling licence and have those funds specifically dedicated for the purpose the sportsmen feel so strongly about—and I do not know whether this figure of over 21 million sportsmen is an accurate figure of those who are using our sport fisheries throughout the province—it would be money well spent and you would be applauded for it.

I want to get into another aspect. Mr. Minister, you know the dilemma that the wildlife program managers in Ontario are having with regard to the demise of the moose herds in many areas of northern Ontario. I am wondering if you ever sit down and talk to your colleagues, the Minister of Natural Resources (Mr. Pope), the Minister of Northern Affairs (Mr. Bernier) and the newly appointed Provincial Secretary for Resources Development (Mr. Ramsay) and discuss how we can direct our attention and a sufficient number of dollars to improving the fish and wildlife in Ontario, in order to capture the portion of the tourist market that you hope to capture over the next 10 or 20 years.

There is one other area that is working against the kinds of things you are trying to do and it is these "pork and beaners" we are getting from the United States. I know it is not your responsibility to check them at border crossings, but at some time send one of your regional people to a border crossing to just keep their eyes open and see what they bring into the province in their recreational vehicles. Gasoline, bread—well, everything, literally everything. They bring everything with them and leave nothing behind but their garbage.

I know we have had a program in certain areas in northwestern Ontario where there are signs up saying you cannot park on crown land

and you are directed either to a private campground or to a provincial park so at least we get something out of them and we do not have to chase all over hell's half acre picking up their garbage.

Interjection: How do you enforce that?

Mr. Stokes: That is a serious problem and you do not have to take my word for it. There has been the Northern Ontario Tourist Outfitters' Association convention and I am sure it has been brought to your attention on at least a half a dozen different occasions that people spending their hard, entrepreneurial dollars to set up tourist establishments find out when they are driving into town for supplies, American tourists are parked any place where the shoulder of the road is wide enough.

They are using our resources and they leaving nothing behind. They are, in the true sense of the word, pork and beans and a good many of them are leaving nothing behind but their garbage. If you want to help yourself, your ministry and the people that you are dedicated to helping, the tourist operator, you should pay attention to that.

Mr. Eakins: I agree, you are dead on. I associate myself with that.

Mr. Stokes: There is one other area I want to get into. I was the critic for this ministry eight or nine years ago when Jimmy Auld was the minister and at that time I said if the tourist industry, the accommodation industry and the catering industry wanted their fair share, they had better pull up their socks.

I do not drive from my home town in Schreiber down here as much as I once did. That was when you only got 15 trips a year between your riding and Queen's Park. Now, because of the time factor I fly most of the time, but when I had to drive, there were certain areas where I liked to hit and say: "Well okay, I will stay overnight. I know there is good overnight accommodation. I know there is a place where you can stop and get a good meal."

It got so I did not care where I stopped because the quality of the service was so uniformly poor it did not matter. You were not going to find a place where they had good cuisine, a good atmosphere. I challenge you, if you have a week, to drive from Toronto to Thunder Bay or Kenora and stop in at these places for a cup of coffee and see whether you can find a place you would like to recommend to your friends.

I said that about eight years ago and I got one

critical comment. It was from somebody who ran a gas station and a little motel and dining room in Britt. He was the only one I am aware of who took strong exception to the comments I made about the poor standards.

Just go into some of the washrooms and see the dirt and the filth in all of these places that are vying for the business of the travelling tourist and see whether you would recommend those to your friends. Go into a place in northern Ontario, like Thunder Bay for instance, or Geraldton, or Kenora, or Dryden—and we have the best lake trout in the world, bar none; we have the best walleyes in the world, bar none; we have the best sturgeon in the world, bar none.

Hon. Mr. Grossman: Natural Resources must have been doing a good job up there.

9:20 p.m.

Mr. Stokes: If you want to fly 150 miles up in the bush to get there. But visit some of those remote fishing camps, particularly where they have the inland whitefish. The whitefish livers are without a doubt—well, they are food for the gods if prepared properly, but what do we do? We throw it away simply because we have not found a way of making people aware it is a resource that is going unused.

I have a couple of commercial fishermen friends who know I happen to like it and we have a liver fry about two or three times a year out of my home. I will bet you most of the people in this room have not even heard of them.

Pickarel cheeks; you go to one of those fish camps in the north and there are always two or three little girls who take the trouble to take the cheeks out of the pickerel. Have you ever tasted them?

Hon. Mr. Grossman: Yes, I have.

Mr. Stokes: Are they not beautiful? And what do we do? For the most part we throw them away.

I am asking if we could convince the catering industry—those vying for the food dollar—to promote things indigenous to a specific area. For example, if you go to St. Joseph Island you can get some pancakes and some of Bernt Gilbertson's maple syrup. I am sure there are a good many other areas in Ontario you people are much more familiar with than I.

If we are really serious about giving a unique experience to our travelling tourists—I am not saying it is all your fault—I think you can say to these people there is any number of imaginative

ways you can make a travelling experience something memorable, something that can be cherished and passed on to someone else. I can tell you the majority of people in the tourist, the accommodation and the food industries are not taking advantage of those opportunities.

I think they could start by cleaning up their washrooms, providing an atmosphere that will attract people in ever-increasing numbers. They will go out and they will tell their friends. I think if tourism is ever going to grow and prosper it will have to be along the lines I have suggested.

I want to say to you, Mr. Minister, the Minister of Natural Resources is preoccupied with trying to grow trees, looking after a land base and trying to foster some activity in the mining field. If we are going to do anything about the management of our fish and wildlife and enhance the opportunities we have in the tourist component of our Ontario economy, it is going to be because you have put pressure on him.

MNR is preoccupied with what they think are more important things. I think you must remind them they have the responsibility of managing our fish and wildlife resources. I do not think it is going to happen unless you play a very vocal, a very key and a very pivotal role in all of this. I invite you to do just that.

Hon. Mr. Grossman: Thank you very much. A lot of issues were raised in those mostly thoughtful remarks. I must say I do not think we are ever going to see the day when pickerel cheeks are being sold in Petrocan stations throughout the north.

I took your advice, Mr. Stokes, during the summer of 1980. My wife and I took about seven or 10 days and drove three quarters of the way to Thunder Bay.

Mr. Stokes: Muskoka.

Hon. Mr. Grossman: Well, it was north of Steeles Avenue.

We did go about three quarters of the way to Thunder Bay, came back across the Trans-Canada Highway, ended up in Quebec and then we came down through Kingston all the way back. We did that ourselves in our North American car, without advance reservations and without anyone knowing we were coming. We did not want anyone to put out their best silver or their best food because the Minister of Industry and Tourism was coming.

I have heard what your previous experiences were. Given the length of time some of those operations can be in business because of the

seasonality, and given the amount of traffic they handle and the limited amount of revenue some of those places earn, I must say I found the quality quite satisfactory. It was certainly comparable to the quality I experienced south of the border before I was Minister of Industry and Tourism.

I found, by and large, it compared quite favourably, for example, with the last time—many years ago—I went up to Sault Ste. Marie, went back down through Michigan and then out into some of the western states. Given the circumstances there, the people are quite dedicated—and I know you agree they are dedicated. I must say I thought the quality was as good as could be expected and something that part of the province can be proud of.

I have also taken your advice and fished some of those remote areas; Sioux Narrows and north, and in northeastern Ontario in places like Iroquois Falls—

Mr. Boudria: Did the big one get away?

Hon. Mr. Grossman: No, I caught a heck of a lot. McCague outfished me at one of the places, but what can I tell you?

Mr. Stokes: You flew in.

Hon. Mr. Grossman: Yes, we did fly in. Not in Sioux Narrows. We were able to drive in there, of course, and some areas north of there.

Mr. Stokes: Did you check them for mercury?

Hon. Mr. Grossman: We ate a lot of fish and I am still here two years later.

I must say I do not entirely agree with some of your remarks with regard to the quality up there. You used the expression, "the tourism industry must pull up their socks." I have to say in my short three years here I have seen a real coming of age of the tourist industry. They are aware they are an important and growing industry and there has been a real response to the number of new tourists coming in and an attempt to meet the standards they are demanding.

I want to be honest with you and say I philosophically and fundamentally disagree with you and Mr. Eakins on the question of, as you describe them, the pork and beaners. I cannot envisage a day when any sort of control ought to be put in on the number of people who are crossing the border and what they are bringing in, other than the obvious national health, safety and customs regulations. One of the great things about living in this part of the world is there is a

free and unimpeded border for Canadians to tour in the United States if they wish and Americans to tour here and in Manitoba—

Mr. Stokes: Using crown land in the way in which they use it?

Hon. Mr. Grossman: Let me finish. I am obviously not advocating abuse of crown land by Ontarians, Manitobans, Quebecois or Americans. Abuse of crown lands is inexcusable, no matter who does it.

In terms of those people who see North America on the basis of provisions they carry with them—after all, we can hardly say those lands are being stripped and destroyed. It is far from that kind of situation.

Mr. Stokes: Obviously you are out of touch with your own colleague, the Minister of Natural Resources, because I can take you into areas of northwestern Ontario north of Thunder Bay where they have taken the trouble to put up signs imploring people not to use crown land and to go to either provincial parks or use the facilities of people who are in the business of catering to them.

9:30 p.m.

Your colleague, the Minister of Natural Resources, does not do that without good reason. Obviously you are not talking for the constituency that lives in northern Ontario or for the tourist operator.

Hon. Mr. Grossman: I offered you a personal, philosophical, call it political view on this nation; the importance of tourism in both an economic and a noneconomic sense. I just want to say I do not agree when you get into the business of saying to people that the amount of money they are bringing and the amount of money they are prepared to spend in our jurisdiction shall be the measure by which you decide whether they are allowed to cross the border. That is a development I think would be most unfortunate and not something I think we will ever see, nor should we see, in this part of the world.

There is no question my tourist operators' record and my own record as Minister of Industry and Tourism obviously look better if I get the wealthier business. If I concentrated all of my advertising dollars on convention business, I could perhaps show a better balance in terms of the travel deficit in this province at the end of the year. But we are into a lot more than just attracting upper income earners and the big spenders. We are looking for people who are going to do everything—use our provincial and

private campgrounds, bring their recreational vehicles, see a lot of parts of the province and not spend a great deal of money. We are in the business of attracting people.

I see my friend here, the member for Wellington-Dufferin-Peel (Mr. J. M. Johnson), who has long advocated farm vacations as an alternative form of tourism. As a result of his efforts we have some major publications in that area and a growing number of people taking us up on that option. I have to tell you farm vacations bring very modest tourist revenues to this province, but in terms of the experience it brings to people—the social value of that lifestyle and learning about that part of our culture, tradition and lifestyle—it is tremendously important.

While it does not stand on all fours with some of the cases you have raised, I have to say I would hope the Ministry of Industry and Tourism and this minister would not become so bottom-line oriented as to disregard some of the very important social aspects of the tourism business. That is my philosophical point of view.

Mr. Mancini: I was just informed by the chairman we have an hour left for this part of the ministry and there are several people left on the list. I think we would all like to get on, if it is possible for the chairman to allocate the time, once Mr. Stokes has had his fair share.

Mr. Stokes: I will go as quickly as I can.

Mr. Chairman: I appreciate that, Mr. Mancini. However, I think the two opposition critics should be given a fair amount of latitude, and have been given it to date.

Hon. Mr. Grossman: Yes, I will go as quickly as I can. I would like to get to some of the other points on tourism.

A further comment of Mr. Stokes'—I think he quite properly opened it up. He began by giving a sort of philosophical view. I think that is appropriate; we have to check these things and establish the basis from which we come.

We really have to watch the tourism industry to make sure all parts of the province benefit from tourism and, conversely, that Ontarians and Canadians everywhere benefit from being able to visit all parts of the province. In my view, no parts of the province should be neglected in terms of attracting tourism to those areas. It is important to those parts of the province for a lot more reasons than just the revenue it brings.

I disagree quite fundamentally on the value of tourism to certain parts of the province. We will have some more statistical evidence for you

next year when we come to these estimates because of the economist we have hired to work in northern Ontario.

To get to the question of whether tourists add to the northern economy or are net extractive to the northern economy, I have to say that if you look at campers, canoeists, fishermen, skiers—all of whom are cited by the honourable member as being extractive—the egalitarian nature of the tourism sector is very important.

We cannot have a tourist industry that says, "Come to northern Ontario if you are going to be staying in one of our better resorts and if you are prepared to leave a lot of money in the community." Tourism serves a lot more purposes than just putting money into those communities. It introduces a lot of people in other parts of the province to the northern experience, which is very fundamental to understanding what this nation, let alone this province, is all about.

I am as proud as the honourable member who resides in one of the great northern communities when I go through all those smaller municipalities, cities and towns and find something happening that could not happen with any other industry. In many of the towns, industry really means the wealth of those communities and it is, in fact, based on the tourism sector. It is an irreplaceable component of those communities.

Some of those communities began based on something else, but drifted to tourism as the towns became better known. They did a good job of promoting themselves, treated visitors well and they developed tourist-based economies. I would not like to see some of those communities literally disappear because tourism was deemed by some to be net extractive in the total northern experience.

I do not know how even the economist we have hired is going to measure the net value bottom line to some of those communities—having a tourist pass two or three hours there and buy something at the local drug store and have one meal, perhaps even at the fast food stand outside of town. In some instances you would find that half the town, or three quarters of the town, perhaps all of the town would disappear if it were not for a thriving tourism industry.

Also we cannot neglect the unique thing about the tourism sector, which is that it is largely small business; it is largely Canadian-owned; and it is, by and large, the only industry we have in this province which you can find in

every part of the province. The auto industry is not going to be found in a lot of parts of the province, particularly in the northern parts.

I think we can make sure we protect our resource base up there, we can handle the forestry industry in the ways in which we have and keep an alive and still-growing tourist industry as well. We are doing things and succeeding in this province in ways that other jurisdictions still look at with envy. We get a great number of other jurisdictions coming to this province, to the northern part particularly, to see just how it has been accomplished.

I want to acknowledge it takes a great deal of fine tuning. The relationship of our ministry with Natural Resources is keyed to the ongoing nature of that industry. I would say, as I look back, with the exception of one or two of my other colleagues I spend more time with Messrs. Pope, Bernier and Ramsay than I do with most of my other colleagues, because of the very issues that have been raised here tonight. They are sensitive and delicate issues and they have to be watched continuously.

I will just complete my remarks by saying to the honourable member that I think next year you will have some more information to look at, which I would ask you to join me in sharing at that time, perhaps even before the estimates.

Finally, I would add the Northwestern Ontario Municipal Advisory Council—a group you know well, comprising the northwestern Ontario municipalities—coincidentally just at their last meeting at Quetico, has added tourism as an economic factor to be measured when assessing the municipality and the strength of those municipalities for the northwestern area of the province.

All in all, I must say it is going to continue to be a growing sector if handled properly. We do not want to neglect the social side of it as well as the bottom-line side of it. The relationship with Natural Resources will continue to be important.

I should finally say Natural Resources is, I think, uniquely sensitive to the questions of protecting our tourism sector. I must say I am satisfied to date they are aware of the problems and they are willing to work with us to resolve some of them. I thank the member for his thoughtful contribution.

Mr. Stokes: I have taken up enough time but I just want to say briefly, check with the Ministry of Natural Resources for the number of convictions for violations of the Fish and Game Act. They are really putting pressure now on illegal

fly-in operations, where people come from south of the border in a private plane, land on a remote lake, load the whole thing up and get back across the border, without even having bought a fishing licence, with literally hundreds of pounds of pickerel fillets.

One who did not get off so easily was caught at the international border at Pigeon River with 648 pickerel fillets in his recreational vehicle. You know what the daily limit in possession is; that was the equivalent of 100 sportsmen, whether they be domestic or offshore sportsmen.

9:40 p.m.

Hon. Mr. Grossman: That is right. There is no defence for that.

Mr. Stokes: Yes, that is right.

Take a look at the number of people who bring recreational vehicles up into a remote area like up Highway 599 north of Ignace, on up to Savant Lake and Pickle Lake, or even north of that on the resources road which goes north out of Central Patricia for over 100 miles. You will see one of these huge trailers toted up from some place in the United States and parked there. The fellow will spend two weeks there to get the spring fishing and he will go back home loaded to the hilt. Then he will send up a neighbour who will use this trailer for a couple of weeks. It happens all summer long. It is an illegal tourist operation.

I know it is very difficult to catch some of these people because they are real professionals at it, but those are the things which aggravate not only our own sportsmen, but the tourist operator who is trying to make a legitimate living.

Hon. Mr. Grossman: I do not defend that.

Mr. Stokes: No, I am just saying, if your colleagues have not told you, that is a problem.

Hon. Mr. Grossman: My colleagues have. I am delighted you have indicated they succeed in catching some.

Mr. Stokes: Just take off your rose-coloured glasses and live in the real world.

Hon. Mr. Grossman: No. That is not true.

Mr. Chairman: Gentlemen, for the remaining members who have questions—we have approximately seven members—we have about seven or eight minutes apiece.

Mr. J. M. Johnson: I will keep within my seven minutes. Mr. Minister, I would just like to carry on possibly what Mr. Stokes suggested on the sports fishing. I would like to express my

concern about the number of fish taken out of the waters of Ontario by commercial fishermen which could be construed as sports fish.

The potential for tourism in sports fishing is tremendous and the potential is much higher than what we would lose in revenue in commercial fishing. We should take a hard look at some way of reimbursing the commercial fishermen and putting more money into sports fishing. Perhaps we could even change some of the commercial fishing into a sports fishing industry. It has been done in Ohio and some of the other states, but I think we should take a hard look at it and work with Natural Resources in that aspect of it. It has been suggested before, but I would like you to consider it.

I would also like to compliment the minister—and this is slightly off tourism, but John Eakins brought it up a year ago at this time when we were discussing your ministry, Mr. Minister. It was in relation to bark placed around the shrubs, trees and flowers in the Queen's Park area. Mr. Eakins mentioned it was imported from the United States.

Mr. Eakins: North Carolina.

Mr. J. M. Johnson: It was very true at that time. I mentioned at that time it was imported, but that your ministry was working with a company in my riding, All Treat Products, of Arthur. They are now in the business. Their potential is to replace from \$3 million to \$6 million of imports a year. They are taking waste out of the northern forest and using it to produce this bark. It is a better product than the bark imported from North and South Carolina.

It was one of the points Mr. Eakins raised at the time the minister was working on it. Peter McGough from Kitchener was very instrumental in bringing the people from Arthur and North and South Carolina together and coming up with this process.

It is a combination of the minister's staff working with people to develop something for the betterment of our province. It cuts down on imports and creates jobs, especially in my riding.

So, Mr. Minister, I congratulate you and your staff, especially the people from Kitchener and Peter McGough, for the impetus they have had in this job-creation program.

Hon. Mr. Grossman: Thank you. Our Kitchener office deserves the credit there.

Mr. J. M. Johnson: I know, John, you are always a fair-minded person and you would naturally endorse it.

I would like to now get down to my main thrust and that is on the farm vacation program. Mr. Minister, you will be getting sick of this because I have been bringing it up for the last three or four years. I would like to take one more shot at it.

Mr. Stokes: Are you saying they are not paying any attention to you so you have to come back with it that often?

Hon. Mr. Grossman: Every year we do more.

Mr. J. M. Johnson: Maybe not enough—

Mr. Stokes: They are never satisfied, are they?

Mr. O'Neil: Scratch that delegate.

Mr. J. M. Johnson: Mr. Minister, I would like to start by congratulating you on your programs: "Four ways we can help Ontario tourism operators"—that is a good program. "Planning for profit for the professional lodge operator." These are programs which can be of assistance and I do commend you on that.

I would like to also mention I have a concern about even expressing interest in farm vacation programs at the present time. I have promoted it for the last six years, since I was elected in 1975, but this year I hesitate. I do so very reluctantly for the simple reason it may be construed I am not in support of agriculture per se, that this would appear as if it is some other method of deviating from agriculture. If that is the case, I would not even advocate farm vacation programs, because I believe the primary purpose of the farming community is for agriculture and I do not want any misunderstanding.

I want it to be fully understood my major concern is for agriculture as it should be. But what I am suggesting is there is a possibility there are other methods, means and ways the agricultural community can benefit. One of them is in the farm vacation program.

About a year ago, last October or November, John Eakins and myself met in St. Jacobs with the farm vacation people from across the country. About seven out of the 10 provinces were represented. Prince Edward Island has an excellent program. They only have a 12-week program and yet they achieve quite a bit of revenue out of this farm vacation program. It is something we could certainly copy.

I have mentioned this on half a dozen occasions in the last four or five years and, quite frankly, maybe as Mr. Stokes suggests, I am getting a little bit disillusioned. I would like to

mention that in September of this year I was in England. I had the opportunity to meet with one of the lords from Wales.

Mr. Eakins: Were you with Bud Gregory?

Mr. J. M. Johnson: It was one of the committees.

Interjections.

Mr. J. M. Johnson: For your information, it was a very worthwhile trip.

Mr. Chairman: Mr. Johnson, do you have a question?

9:50 p.m.

Mr. J. M. Johnson: Yes.

Mr. Chairman: Because I might point out to you that you have one minute left for the minister's reply.

Mr. J. M. Johnson: Mr. Minister, in that minute I would like to suggest that in the jurisdiction of Wales they have a program they call the farm holiday. They spend \$2 million a year in promotion of this program. They have spent that for the last three years. They anticipate spending it for the next few years.

They have problems in the UK that, I would think, would surpass the problems we have in Ontario. The population in Wales is much smaller than the population of Ontario. In the program there are something like 60 farm vacation programs and one thing they have is the farmers' guide to tourists. They sell the farmers on the program first; that is what we are missing in Ontario. Then they sell the people on picking up the idea of the program.

We have the potential of 20 million people within half a day's driving distance of Ontario, certainly the southern part of Ontario and, if you want to extend it, it is a day's drive into northern Ontario. We have a tremendous potential.

Mr. Minister, since we are limited in time, I will not—

Mr. Mancini: It does not seem to bother you, Jack.

Mr. J. M. Johnson: Mr. Mancini, it is of interest to some people and not to others. I would just suggest one thing. Surely, if Wales can spend \$2 million we could set up an office in your ministry with someone who would co-ordinate the aspects of the farm vacation program, someone who could look at the other provinces in this country and other countries that benefit from this type of program and see if there is some way we can educate not only the tourists, but the farmers.

The main point I would like to emphasize is that we have to sell the farming community on the benefits of farm vacation programs, without construing that as interfering with agriculture. If we can do that, I think we have an opportunity to benefit from a tremendous program. If we cannot, then I will be back here next year.

Mr. Minister: the last time I brought this up, which was two years ago, you selected Mr. Boyer to work with me on it. Then he was appointed to Minaki Lodge and I have not heard from him since. Can you give me a different contact person for this year?

Interjections.

Mr. Boudria: For Boyer, Minaki is the equivalent of the salt mines.

Mr. J. M. Johnson: Mr. Chairman, I would simply ask the minister if he would agree with me that this is a good program? Could you suggest that we could maybe carry through with some more—

Hon. Mr. Grossman: Done. I would only take this—

Mr. Stokes: You cannot say no to that. It was a very persuasive argument.

Hon. Mr. Grossman: Not only that, but I have not said no in previous years.

Mr. Stokes: You have just done nothing.

Hon. Mr. Grossman: That is not so. Now you are going to have to get the answer, Mr. Stokes.

Thanks to the intervention and contributions of my colleague, Mr. Johnson, in these estimates, we began to include farm vacations in our accommodations guide two years ago and last year the number of farms participating, as listed in our accommodations guide, increased from 28 to 39. Of course, the Ministry of Agriculture and Food is putting out this publication now listing Ontario vacation farms. In fact, the Ontario Vacation Farm Association, just a couple of weeks ago, wrote to Tom Gibson, the director of our tourism marketing branch. I will just read it quickly.

“As the new executive director of the Ontario Vacation Farm Association I would like to express my appreciation for the help and support which has been given to our association by the Ministry of Tourism.

“I am including a listing of our member farms for your accommodation guide. You have greatly increased the popularity of farm vacations in Ontario.”

It goes on, but the essence of the letter is to thank the ministry for its contribution in bring-

ing more and more farms into the farm vacation business and for helping to promote it. In fact, the Ontario Vacation Farm Association will provide 10,000 brochures to our ministry for distribution through all of our travel information centres this year.

I hear what you say about selling the concept to the farming community and perhaps we will take that up with Duncan Allan. I am sure he would be a great salesman for us in the farm community. But I thank you for your contribution over the years and the information on Wales will be looked at by the ministry.

Mr. Boudria: Mr. Chairman, I have wanted to speak at these estimates for a very long time. I have been here since the beginning. As Mr. Sheppard has said, we only have a few minutes, I will try and be brief.

I would like to congratulate the new deputy minister. I am very glad to see he is part of your ministry and especially happy, apart from his previous associations—there is nothing wrong with them—to see that he has lived for a long time in my part of the province, in eastern Ontario. I certainly hope he will bring to the fore some of the concerns of that area maybe a little more than they have been in the past. I am sure he will do that, having a very thorough knowledge of the area.

I have a couple of concerns on tourism. One has been expressed before and it has been expressed at the estimates of the Ministry of Natural Resources; that is, that your government will no longer be assisting in the funding of snowmobile trails. There are quite a few of them in my area and I feel they have great significance. They tend to take a lot of people from the cities and bring them out to the rural areas on weekends. Our local establishments were benefiting from them and we will be sad to see them go. I am sure Mr. Eakins will speak at length on that so I will just end my comments on it for the time being and perhaps you could try and convince your colleague to reinstate some funding there.

I want to talk a little bit about the highway signs. I know they are not yours, they belong to the Ministry of Transportation and Communications, but I feel they are very discriminatory as far as rural businesses are concerned. I am not advocating that we should have signs as in South Carolina that say “federal land” every 500 feet for the first 40 miles before you get to that tourist attraction. That is obviously ridiculous and I do not think Ontarians are known to be people who exaggerate.

We tend to do things in a more moderate fashion, but surely there must be middle ground between that type of approach and what we have here on Highways 417 and 401. Billboards have to be something like 1,300 feet from the centreline of the highway, which means it is impossible to read them. That is why they do not exist.

I am not saying there should be that many of them. Maybe there could be a limitation that there cannot be more than one billboard every five miles, but at least when you have one, make sure people can read it, then local tourist establishments in rural areas could be identified by such signs.

Again, the gas station signs: In Quebec for instance, they are able to install those high-mounted signs on the highway. They jack them up 40 or 50 feet so they are visible when you get within half a mile of the interchange and you can tell if there is a gas station to your liking. They exist in many places in the United States. They exist nowhere in Ontario except on Highway 401, where there is controlled access, but even those are not all that visible. They are only visible because there is a highway indicator as such rather than a private sign on the ground.

I do not think that any of those policies really help rural businesses in a riding like mine. Highway 417 goes through the middle of my constituency. I am told that roughly two million cars a year use it and they drive right by and never stop. It is unfortunate, even the gas bars we have on that highway are not used to full potential.

10 p.m.

I know your ministry is not responsible for that and while you cannot say so you have probably made representation to MTC to slacken some of these rules which, I think, are archaic and unnecessary. I hope you will continue in the direction I am sure you are pursuing right now, or that I hope you are pursuing right now.

The hours of opening for hotels in my area are a very big concern. My riding fronts on the Ottawa River for roughly 70 miles, which means that for that distance Quebec is in view. It also means that on Sundays and at one o'clock in the morning on other days we lose a lot of our tourists. They just cross the river and go to their favourite night spots in Hull, as your deputy might know, having lived in the Ottawa area. From Hawkesbury they go to Grenville and from Cornwall they go to Massena and so on. We lose an awful lot of business because of those laws, which really are outdated.

I do not believe that in these days one o'clock is really the time one would expect entertainment of various kinds to end. It never does. People just go to some other place at that time because it is part of our modern lifestyle. I hope you will convince another minister, the Minister of Consumer and Commercial Relations (Mr. Walker), to change those laws in such a way that they benefit some of our businesses.

The reinstatement of the seven per cent sales tax is of great concern in Ottawa. When I left Ottawa today, many local tourist establishments were saying on the news that they had already printed their brochures for next year and had circulated them in cities in the United States.

I know you are going to say they have known for a while that this was a temporary measure, but they did not know definitely whether or not it would be abolished, so in their best judgement they sent the brochures off. They are now printed and have gone to establishments in the US for conventions and so on without that feature in it. It is a big disappointment to see it reinstated now.

Also, I do think that in eastern Ontario we need help to capitalize on the tourist potential from Montreal. There are a lot of people living there; two million people. My riding is within 35 miles of it and, except for the Carillon provincial park which is run by the Ministry of Natural Resources, we are getting hardly any tourist dollars from that city at all. It has such potential that almost everyone in my riding could be living off that large city if the proper mechanism was in place to attract those people.

Mr. Chairman: I think I am going to ask for the minister's reply as we are running short on time. We have several people left—

Mr. Boudria: Have I spoken for seven minutes?

Mr. Chairman: Yes, you have.

Mr. Boudria: I am very sorry to hear that. I will take one more minute if I may. I will just say that I would like to see the ministry do things in Montreal, such as more brochures in French and that type of thing, so we can get some of the tourist dollars to our area. I wonder if you would respond to some of those concerns?

Hon. Mr. Grossman: Very briefly, may I say that we are working with Natural Resources and other concerned ministries to see what we can do about the snowmobile trails. I believe the Ministry of Natural Resources has now agreed to carry on some funding during this year while we try and sort out the funding problems for the industry.

Secondly, with regard to signs, particularly in eastern Ontario, there have been more recent meetings with the Ministry of Transportation and Communications. I will not repeat my remarks of earlier; obviously from a straight tourist standpoint, disregarding the safety and other things and the aesthetics of it, more signs would be helpful, but we have to make these tradeoffs. We are continuing to try to strike the proper balance there and I believe we have to get more flexibility into the system to help specific situations.

On those people who printed brochures and did not include the seven per cent tax, all I can say to those people—and I would hope you would join us in fairly putting the case—is that not only was the tax exemption always temporary, but it was made quite clear in last May's budget that it was going to be reimposed at the end of this year. Those operators who did not believe the Treasurer's budget were really living dangerously and I regret that they did not take the—I mean it was not a warning, it was just notice. It was not like, "We may take it off." The Treasurer said it was coming off at the end of the year.

Talking about more work in your particular area, I should say that, at the request of your predecessor, we did a study of, Larose forest, was it not?

Mr. Boudria: Yes, Larose forest. Le rang du fermier.

Hon. Mr. Grossman: We are going to look at the results of that study, which I understand has just been completed. We shall continue to look at any reasonable proposals, in that area particularly, since we have the advantage of the eastern Ontario subsidiary agreement to help fund those.

Finally, with regard to more French brochures, if there is any step we have taken in any area in the last year, it is in the introduction of French language services throughout all of our tourist publications and services. I think we shall begin to see the results of that this coming year.

Mr. Eakins: I shall just take a couple of minutes. I think the minister knows that my very great interest for a long time has been tourism. I am still very supportive of it and want to refer to two or three things because I know other members want to speak.

I strongly support the farm vacation program that Mr. Johnson referred to. It is interesting to note that Mr. Vince Mumford, one of the

people who is well known to the oldtime fiddlers as a master of ceremonies, will only stay in a place involved in the farm vacation program when he travels in Ontario.

One area to which I would like you to give consideration has not been mentioned. We have talked a great deal about the program, "Ontario—yours to discover!", but you also developed another program which I think needs a great deal more work because it ties in very much with an overall tourism program. That is the program, *We Treat You Royally*. It started out well, but it seems to have petered out. I do not think it has had the success it could have.

A great deal of the success of tourism in Ontario depends on this program. It is not something you can fund for a year or two. It has to be ongoing if tourism is going to be successful, because a large amount of the success in Ontario depends on how you treat the people once they get here. That is more important than how much money is spent in other areas.

It bothers me to see people involved in handling visitors to this city and this province giving them not so much as a courteous welcome. I see such people at some of the hotels, and one of them is the one I stay at, who are running around, come springtime, with a *We Treat You Royally* button, and who do not know enough to say "Hello" or to smile. They never speak to people. That goes on in many areas, including the taxi services. The *We Treat You Royally* program must have a much higher profile and involve many people. It is very important.

Secondly, I want to associate myself with the remarks of Mr. Stokes, in the sense that you have to have greater co-ordination and liaison among the ministries. I have not been convinced in the lengthy time I have been involved as a tourism critic, and now as Natural Resources critic, that there is the necessary degree of co-operation.

Tourism, Natural Resources, Transportation and Communications, Culture and Recreation are very closely tied together. A \$1.5 million advertising program was just announced to promote snowmobiling and cross-country skiing, but at the same time the Treasurer has announced that the accommodation tax exemption will be discontinued and will resume as of January 1. Many lodges in Ontario refurbished their premises to accommodate extra business. The tax may well apply in places like Toronto, where the occupancy percentage is very high, but not in other parts of Ontario where such assistance is needed.

At the same time that tax goes back on, the Minister of Natural Resources announces that his ministry will no longer fund snowmobile trails. Under pressure, they will fund perhaps 40 per cent this year, but will forget it for the following year. I feel it was a double slap in the face of the people in the industry to have all this happen at once.

10:10 p.m.

Although there are a number of other areas I could talk about, I want particularly to encourage the minister to see to it personally that there is greater co-operation among the ministries. I just do not see that happening.

You mentioned in your opening statement that tourism revenues have increased by 27 per cent. Is this an accurate figure? I believe I questioned you on this in the House.

Hon. Mr. Grossman: Yes. In the House I mistakenly used the word "revenues." I meant to say that tourism visits were up 27 per cent that year.

Mr. Eakins: But not revenues?

Hon. Mr. Grossman: No.

Mr. Brandt: How does that relate to revenues, Mr. Minister?

Hon. Mr. Grossman: At that point revenues were up 16 per cent.

Mr. Eakins: Do you have any view on the entrance of Dominion Stores into the travel agency business? Does this concern your ministry at all?

Hon. Mr. Grossman: Its impact on the travel agent business and its compliance with travel legislation largely lies in the jurisdiction of the Ministry of Consumer and Commercial Relations. I might say, however, that some of the promotional schemes that Dominion Stores has entered into to persuade people to stay in Ontario and travel here have been very helpful in pure tourist terms.

I wonder if I might respond to one or two of the other things you commented on before your seven minutes have gone. We Treat You Royally was a three-year program meant to lay some groundwork for some things we have done since. In our view, it was a tremendous success because it drove home to Ontarians the importance of the tourism industry. Secondly, it brought the message to tourists that we intended to treat them royally, or hospitably.

That was good groundwork. It brought tourism to the fore for the first time in several years by getting that message out there. It then

allowed us to move into the "Ontario—yours to discover!" campaign, in the marketing sense of having established good groundwork in the matter of attitudes.

It is not good marketing to have two competing slogans and symbols. "Ontario—yours to discover!" is meant to do something quite different from We Treat You Royally, which campaign, having got the message out there, became the training course. We still do those training courses for the industry upon request, so they are still working out there. Our people, as I know you know, are very well equipped to provide that sort of training.

You also referred to ministries working together. I think we should be honest and say that ministries will always have disagreements on policies. That tension, as it were, that bringing together and the resolution of different points of view, depending on which interest they represent, is part and parcel of policy making in every government. If that were not going on, you would not have effective policies being made. Rather, you would be in a position where one side or the other would have a feeling that they were not part of the process, that it was a one-way street.

There has to be that advocacy, that tension between ministries. Often, what is a good debating system, the bringing out and playing off of differing points of view, can be taken by those who observe it as an example of lack of co-operation. But that same process is very often an example of each ministry doing its job. That, in some cases, is what goes on; there is no question about it.

On the other hand, you get some marvellous examples of co-operation. I think of the North Bay cross-country ski experiment, where the ministries of Northern Affairs, Natural Resources and Industry and Tourism all co-operated in various ways, including financially, to try to get that thing going. It was a marvellous example of co-operation.

There is only one other thing I wanted to add. You say there is a double whammy in the government putting that tax back on and taking another look at its funding of snowmobiles. Other ministries have looked at the tremendous boost the tourism sector has received in recent years. Some of them made the point that at the same time the tax exemption was granted, my advertising budget for tourism was increased considerably. They said that we were reducing the take from the tourism sector at the same time we were increasing the amount of money dedicated to that industry.

The tax decision was a difficult decision to make in view of the amount of criticism it could bring from other sectors, but the Treasurer made that difficult decision and it paid off—the figures are self-evident—remarkably well, better than anyone anticipated. Now the Treasurer, in fairness to some of the other sectors, is saying, okay, we granted that incentive, we made those investments, we added the tourism redevelopment incentive program while the tax was off. We added an expanded Ontario Development Corporation tourism program, we went into the upgrading program and a host of other things and now it is time to remove the special tax benefit.

It is easy for me to stand aloof from the system and say it would be easier if the tax was not there, but in fairness to the other sectors, we did get a tremendous break from the Treasurer. It was needed at the time and it worked. I think it was well used by our ministry and now the Treasurer believes it is appropriate to reinstate that tax in view of the momentum the industry gained. As I have indicated earlier, if it does not work out, it will be looked at again.

You can talk about double whammies in one year, but three years ago we got a tremendous boost from the removal of the accommodations tax and the sizeable increase in the amount of money given by the government to tourism. All in all, I think that is the way government ought to operate.

Mr. Eakins: Just as a closing remark, with other industries such as manufacturing and the auto industry having their problems, I would not want to see the props yanked from beneath this industry just when it is really on the move. As you know, Quebec has removed the accommodation tax permanently.

Hon. Mr. Grossman: John, if the prop of our tourism industry is the waiver of the seven per cent accommodation tax, then I have a very weak tourism industry and I do not accept that for a minute. We have an enormously strong, growing industry that does not rely in a major way upon that seven per cent accommodation tax. If it does it is in trouble, and I do not think it is.

Mr. Cooke: I have just a couple of questions. One has to do with the county of Essex and the underplay we have received as a major entry point for our country and our province over the last number of years. I am sure you have received a number of letters from the good mayor of Windsor, Bert Weeks, on this matter.

I was surprised last year, just prior to the Canada Day celebrations, when a number of festivals that were taking place were promoted by the province, while one of the biggest, the International Freedom Festival, was not even mentioned. The festival is unique because it involves two countries and the various activities that take place involve the communities of both Detroit and Windsor. With the new hotel that is being constructed and the new complex that is being built at the university, Windsor will have an increased capacity to host major conventions.

I would hope that the minister and his ministry would start promoting the city of Windsor and the county of Essex, which is also unique in that we are surrounded by Lake St. Clair and Lake Erie. There are many attractive beaches and other facilities in our county which are not adequately promoted by this ministry. One has to look closely at most of your brochures to find mention of Essex county, despite its proximity to the populous area of the city of Detroit, the state of Michigan and surrounding states. Many from those areas might find it convenient to spend a day or two in Essex on their way to other parts of Ontario.

I would like the minister to take a closer look at promoting not only Windsor but Sarnia. I am sure the member for Sarnia (Mr. Brandt), if he were here, would agree that there are also recreational facilities in the general area which are not adequately promoted, and neither is Sarnia, even though it is a major entry point for our province.

There is one facility I think you should see and talk to us about. Perhaps you could come down with the Minister of Natural Resources when he visits, as he promised he would. We have a provincial park in my riding called Peche Island, which is used extensively by people from Michigan. You cannot get to it unless you have a boat, but none the less it is a rather unique facility in that on that island it is almost impossible to believe you are within two or three minutes of millions of people.

10:20 p.m.

The island is a wilderness type setting and if the proper money and controls to maintain its surroundings were put into it by Natural Resources it could be a very useful and a very attractive tourist facility within the province. There has been virtually no money put into it at all by this government.

The final point I want to raise is when I visited Sarnia, a major concern of the industrial

commissioner—they combine tourism with their industrial commissioner—was the signing of Highway 402. I wonder if the ministry has had any contact with the Ministry of Transportation and Communications on the signing of 402 with regard to their Golden Mile tourist area as well as some of the other tourist attractions along 402. One that was mentioned was the Petrolia heritage facility, which was not even going to be signed on 402.

Hon. Mr. Grossman: If I may respond quickly. Needless to say, we have been doing a great deal for Sarnia for some time. We have the low-frequency radio station as a pilot project now in business in Sarnia expressly for tourists. There has been funding through BILD for the harbour proposal in that great municipality and my colleague has been bringing to our attention events and other promotional things we might do to encourage tourism in Sarnia.

Indeed, Sarnia is an area which has some potential for increased tourism. We are working closely with the municipality, as we did when my friend, the present member for that area, was mayor. He was the first to bring to my attention the problem with signs on Highway 402 and the Golden Mile.

I remember when he took me for a drive down there a couple of years ago. As a result of that visit and certain other contacts, the then mayor, Mr. Brandt, had the signs and the situation on the Golden Mile improved somewhat.

We are looking at those kinds of things in other areas. I might say we are looking for opportunities to promote tourism in the Windsor-Essex area.

Mr. Cooke: How about coming down with Alan Pope in January to take a look at one of the best facilities in the province?

Hon. Mr. Grossman: I might consider that.

Mr. Cooke: I might even invite you to a Windsor Spitfires game. They play almost as badly as the Toronto Maple Leafs.

Hon. Mr. Grossman: Let us go and see the Red Wings.

Mr. Cooke: We can drink beer over there at least.

Hon. Mr. Grossman: Well then, let's not.

Under the tourism redevelopment incentive program we assisted Bob-Lo Island, one of the tourism attractions you have. You share that area with Mr. Gray and Mr. Whelan and Mr. McGuigan. You will know of the tremendous assistance we provided to Windsor during the

Republican national convention. In any case, those are indications of our willingness to invest in tourism opportunities in the Windsor area.

Mr. Cooke: The main point is that in your brochures I think you really should be promoting the points of entry as areas where they should stay overnight and spend some money. I know you will not put it that blatantly in your brochures, but that should be the focus.

Hon. Mr. Grossman: I do think the hotel will help that.

Mr. Cooke: You will have to read my letter to Herb Gray to find out what I say about the hotel.

Hon. Mr. Grossman: Well, it is probably an open letter so—

Mr. Cooke: It will be.

Mr. Chairman: Gentlemen, I am advised the bell is just for a quorum call.

Mr. Runciman: This ties in with the Ontario Development Corporation too, but it is tourism development. I had a group in to see me a couple of months ago from a small area on the St. Lawrence River. Ivy Lea wanted to develop a marina and a restaurant; they are actually expanding the marina. They were turned down by the ODC who felt they would be affecting another restaurant in the area.

An attitude prevails in the area that you are just thinking too small. You simply have to go across the river, in my part of the country anyway, and look at Alexandria Bay, which is a small village; the boat docking facilities they have over there are just fantastic. We have an individual who is willing to get into that type of a facility and he is turned down. It looked financially viable and it was just the determination of the chaps in Kingston that it was not appropriate. I just wonder about things like that.

Mr. Boudria was mentioning signage and I have mentioned that too. We are not getting enough people off Highway 401 or the Thousand Islands Parkway. I would suggest maybe one of the areas we could look at that would encourage people, other than signage, is to do more in the service centres, particularly in the Mallorytown and Kingston area, for the parkway area. Perhaps we could have pictures and more emphasis in those tourist booths at the service centres to encourage people to take advantage of that short drive along the St. Lawrence River.

The other thing I wanted to mention was the eastern Ontario subsidiary agreement. You mentioned \$4 million. I am wondering how

much of that is committed. I also wonder if there is an over emphasis on feasibility studies, especially in some of the smaller projects that could do without a study. I am wondering about the problems you may be having with the federal government in terms of allocating those dollars available in EOSA and the possibilities of the federal share increasing in that program.

Hon. Mr. Grossman: I will try to answer those in that order.

Concerning problems with the feds: of course, they have some disagreement from time to time within the joint management committee but, by and large, the relationship has been quite good.

You ask what chance there is of getting an increase in that from the federal government. We are having all sorts of trouble getting a Department of Regional Economic Expansion tourism agreement in other parts of the province. We sense there is no willingness to add to the DREE tourism dollars in any parts of the province, other than those already committed. Out of the EOSA \$4 million for tourism, \$1.8 million are committed.

In terms of those studies, we often get people in the area who seem to have a good idea but they do not have the resources to invest at an early stage to test the feasibility. There is a pre-clearing of those to make sure they have some credibility to them before we go on to the stage of feasibility study. I think those are quite useful and I would like to see them continue.

You talk about the service centres and travel centres within them. As you know, we have substantially upgraded those travel centres along the major highways, particularly Highway 401, over the last year or two. They are now providing better service, better appearance and a better array of information. I should make quite clear, as I have on earlier occasions, that I remain unsatisfied with the level of performance of the service centres in the gasoline stations along the highway.

Mr. Runciman: We would like to see the tourist information booth on the Thousand Islands Bridge open on a year-round basis, too.

Hon. Mr. Grossman: We are reviewing our year-round service centres. We opened two or three of them this year on a trial basis in other parts of the province to see how they go. If they go well and it seems to be worth while, we will do that in other areas.

I just want to add, Mr. Runciman, we will have another look at the case you brought up a moment ago and we will get you the informa-

tion. We could review it again. My deputy also tells me the spaghetti on the American side is not very good.

Mr. Chairman: Gentlemen, if the committee members and minister consent, I would suggest that perhaps we could go for an extra 10 minutes and hear from both Mr. Mancini and Mr. Wildman.

Hon. Mr. Grossman: That is hardly a lure to sit for another 10 minutes. Let us do it anyway.

Mr. Mancini: Thank you, Mr. Chairman. I have two specific points I would like to bring up. In view of your kind offer, I will try to be as brief as possible.

I want to again bring up for discussion the reimposition of the seven per cent sales tax on accommodation here in Ontario. I have received copies of two letters, both of which have been directed to the Treasurer, but because it affects the Ministry of Industry and Tourism I also want to make sure the minister is aware that, in the recent past, Mr. Miller received a letter from the managing director of Key Tours. The minister may be familiar with Key Tours as it is the largest wholesaler of Canadian package tours in Ontario. The gentleman who signed the letter, Mr. Steve Djelebian, is quite vociferous in his opposition to the sales tax and makes several good points as to why it should not be reimposed.

10:30 p.m.

I also have a copy of a letter from the Essex County Hotel and Motel Association concerning the same matter. They state their position against the reimposition of the seven per cent accommodation tax and state quite clearly this will have an adverse effect on the tourism industry in our province.

"We realize that the Treasurer of Ontario has taken this decision, but we also realize that the Treasurer must work along with his cabinet colleagues and we would hope that the Minister of Industry would continue to use his influence and try to impress upon the Treasurer that the sales tax is not to the benefit of the tourism industry in Ontario."

That is the first matter I wanted brought to the minister's attention. The other matter is the signing of Highway 18, which runs between Amherstburg and Windsor. The minister may or may not be aware I met with and had correspondence with his former assistant deputy minister of tourism, Mr. John Maxwell. I even had him down to Amherstburg to see some of the things I was talking about.

If he is any type of historian at all, the minister will know the road leading from Amherstburg to Windsor, in historical terms, is part of the Sauk trail which was used by the Sauk and Fox Indians. They would travel from Illinois through Indiana and Michigan, cross over at Detroit and then, using the Highway 18 path, go right to Amherstburg. The reason the Indians would do that is because they were partners with the British during the war of 1812. For many years they would come to Amherstburg and settle over on Bob-Lo Island and receive gifts from the British in order for the British to show their appreciation.

I have had sent to me, and I also had this forwarded to Mr. Maxwell when he was with your ministry, a historical journal from the Illinois State Historical Society which was published back in July 1936. This was provided to me by the former owner-editor of the Amherstburg Echo, Mr. John Marsh. If anyone in your ministry has taken the time to read this documentation, you will see Amherstburg is mentioned over and over again. For example, on page 122 it says:

"This custom of giving presents to the Indians had continued from the first British occupation of Canada, even after the United States held entire sway in her own territory, and the Indians continued to come from as far west as the Mississippi River to the annual distribution of presents in Amherstburg. In 1829 the British government here distributed 60 tons of presents."

I will not take the time to read from some of the other quotations here that mention the town of Amherstburg, but I also want to inform the minister that recently in the Detroit Free Press in the last couple of months they had a feature story on the Sauk trail.

What I have been trying to suggest, both to the Ministry of Transportation and Communications and to your ministry, is the two-lane Highway 18 from Windsor to Amherstburg should be signed "Sauk Trail Heritage Highway" so people know exactly what the historical significance of that highway is. There is ample space along the highway where a roadside park could be set up and people could drive in from the road. Probably a plaque could be set up by the Ministry of Culture and Recreation and this could be brought to the attention of the people using this highway.

Further to that, I want the minister to know the old king's naval yard, which was a naval base for the British where they built their ships, has

now been restored to a beautiful waterfront park with a lot of help from the province through different grants from different ministries. We also have the national museum, the Fort Malden Museum and all this ties in together.

I cannot understand why it is impossible—I have been working on this since early in 1980—for you people who are really interested in tourism to convince the Ministry of Transportation and Communications to put up three or four signs and have a small roadway park with a plaque there explaining that this is part of our history.

This is the Sauk trail. This was used by Sauk Indians. They assisted the British in the war of 1812. This is something that we do not have to spend any money on. Usually when we try to bring things to tourists' attention we have to spend a lot of money, we have to build convention centres or lodges like Minaki. But this is free, at cost, it is there; it is part of our heritage.

The only point I make to the minister is, if it is at all possible, we should take whatever steps are necessary to make sure that the Sauk trail is properly named and properly advertised. The municipalities of Amherstburg, Anderdon, Sandwich West and the city of Windsor have all passed resolutions in support of this and I just would like the minister's promise that he will undertake to do this if it is possible.

Hon. Mr. Grossman: Yes, that seems to be a very reasonable position and I will ask that it be brought before the joint signing committee and see what we can do. It seems an eminently reasonable request. Provided you guarantee not to take credit for it, we will take that request very seriously.

Mr. Wildman: As I listened this evening I keep thinking of that movie called *The Seven Minutes*. There were a number of things I wanted to raise, but in view of the time I will not. I want to re-emphasize a couple of things though with regard to the comments made by my colleague from Lake Nipigon.

In response to the minister's remarks about the people that Mr. Stokes referred to as the "pork and beans," I wonder what African country would allow people to come in on a big game hunt with their own recreation vehicles to hunt water buffalo or elephant or whatever on public lands. That is what these people are mainly coming in for and they view it as a big game hunt.

For the life of me I do not understand why we

allow people to hunt moose and bear in northern Ontario without requiring them to have guides and to operate out of hunt camps. I am not talking about residents but I am talking about nonresidents. These people are coming for a big game hunt and for some reason we feel they should be able to come in here, park on crown land and operate almost at will without making any contribution in an area where we have many people—Indian people in many cases—who are qualified and well able to provide the kind of guiding service that would be required.

In some places like Minnesota, for instance, and certain of the midwestern states, they do require guides. I also know that in the United States nonresidents certainly, and I believe residents for that matter, are not allowed to go and park anywhere they feel like it on public land, yet it happens here. Just in terms of the cost of the cleaning up after these people the Ministry of Natural Resources has to go through, it is unbelievable to me that we would accept that kind of approach.

I am concerned about your ministry's input on strategic planning for Ontario fisheries. I am also concerned about the minister's comment because I am sure he is aware very little, if any, stocking of inland lakes is being done by the ministry and people have to go further and further inland for a good fishing opportunity.

10:40 p.m.

I am also concerned about this ministry's input, or lack of it, with regard to the moose and deer seasons and the changes in the form of a lottery that had been proposed for expansion; and for that matter this ministry's input into forestry operations, which have had a devastating effect on the habitat of the big game.

Despite what the minister says about what he almost characterized as creative friction among ministers and ministries, I have the feeling that many of his field staff feel very frustrated. For instance, when attending meetings, whether on forest access roads or clearcuts, with officials of the Ministry of Natural Resources and the outfitters or the hunters and anglers, the lack of influence they have on the Ministry of Natural Resources seems to be a completely frustrating experience.

Then, when there is what should be, in my view, a much easier problem—that is signing, which has been mentioned by many members here—when dealing with the Ministry of Transportation and Communications, while I can hardly argue with the need for limitation

and regulations on signs, your ministry's field staff seem to have a great deal of difficulty in being able to persuade MTC of the need for an individual sign—I am not even talking about a number of signs—so I wonder what kind of influence your ministry really has.

Our tourism industry in northern Ontario is threatened seriously by acid rain, by the forestry operations and I really do not think your ministry has had a lot of influence. To be fair to you, I do not think it is for want of trying. I am not being facetious at all; I am serious. I do not think you have failed in your attempts to raise concerns. I just do not know how often you are listened to.

I just have one other item and then I will leave it because of the time. I would like to be brought up to date by the minister, if not this evening perhaps his ministry staff can consult with me at another time or by letter, whatever they think is best. I should like to be brought up to date on the ministry's understanding of where Frank Rush is with King Mountain.

Hon. Mr. Grossman: We shall write to you on it.

Just to review those issues quickly: I want to take this opportunity to clarify the fact that I was trying to respond to a great number of issues raised by Mr. Stokes in about a 30-minute speech and I was trying to do that as briefly as possible.

It may be unfortunate or unfair to mix two issues: that is, people who are touring the province in a recreational vehicle, that sense of pork-and-beaners; and the other issue of non-residents coming in and tapping our limited natural resources in terms of our moose, fish and so on.

I was referring, in my remarks to Mr. Stokes, to the former category. When it comes to use of our depleting resources and the need to protect them and get some contribution at the very least from those people who use those beleaguered natural resources of ours, I certainly do not advocate a free and open situation. They should not be getting a preferred or an advantageous position and should be paying their own way. I welcome the opportunity to clarify that.

May I say it is the old situation. How can I assure members of the committee that we do fight hard enough on behalf of tourism? I think we do. The member has been kind enough to acknowledge that he believes we are fighting hard enough. We win a great number of the discussions, however you decide winning or losing in them. But I think it is safe to say, and I

am sure my colleague would confirm it, that our input is quite dramatic, quite complete, quite sensible and forceful, and it has, I am satisfied, shaped a number of the decisions made by the government.

You can look on the revenue side where obviously the allocation of financial resources to the tourism side of my ministry—I have not done a calculation, but I suspect a growth in moneys dedicated to tourism over the past three years—has probably grown faster than any other ministry in the government over that period of time. It has just been quite phenomenal.

However, on the resource management side, it is equally important that we be heard. We are continuing to play a very major role in that area. There are a great number of issues and in recognition of the growing complexity of those issues, as I indicated earlier, we are hiring someone specifically to deal with those issues. He is an economist dealing in the north, living in the north, working in the north and specifically dedicated to those efforts.

I have a very close relationship with Mr. Pope and I think we will be able to satisfy the committee more and more as time goes on. But those decisions are being made as a result of a great degree of joint discussion between the ministries.

I think it is important to note our field staff sometimes does feel frustrated by some of these issues. If anything, that shows the extreme amount of dedication my field staff has to protect the interests out there and the degree to which they care about the tourism sector, the degree to which they understand the needs and wants of the client group. Indeed, I expect them always to be fighting very hard on their behalf and never to be satisfied with the number of things which can be done and the kinds of things they would want to see happen.

Obviously there are tradeoffs in all of these areas, where the proper tradeoff is something that ultimately is left for cabinet to decide. But I do really admire my field staff for never being satisfied with any tradeoff. It has to be made on behalf of their client groups. That is something I encourage. I want them to continue to bring those matters to our attention and to fight hard on their behalf.

Finally, if I read the response, if I felt the response of the recent Northern Ontario Tourist Outfitters' Association convention properly—I did spend some time there—they seemed to be

quite relieved at the degree of input we now have into those decisions. I think they will report to you it is at a new high.

Still, they are making the point you made; it has to continue to be high and, if anything, more intensive and higher. We are moving in that regard. I think your comments on the report were certainly well taken.

Mr. Wildman: Mr. Chairman, with your indulgence, I have just one other question. I want to encourage the minister to continue and expand the things the ministry is doing with regard to diversification of the areas from which they are trying to attract tourists. The emphasis on the European market is very good and useful. I would hope the same kinds of efforts would be made with regard to the Japanese market as well.

I will leave one other question with you. I hope you can give me some response to it. Have you had any input from the Northern Ontario School Trustees' Association?

They requested the provincial government look at the setting up of some sort of hostel in the Toronto area to help with the many types of school tours. Most of the tours are subsidized by the Ministry of Education and bring students to the Legislature here, to the Ontario Science Centre, Ontario Place and Ontario North now—all of the various things they try to attract northern students to this area for.

Their proposal is that there should be some sort of hostelry established to enable the school boards to deal with accommodation expenses and so on. Perhaps school facilities which are not being used could be put to use. Perhaps a university would be vacant, when most of the tours are coming into this area.

Hon. Mr. Grossman: As you may have been able to tell from my earlier remarks, I feel very deeply about the social value of those kinds of interchanges. There is not a firm enough tradition in our country, indeed, in our province, of that sort of travel. That proposition has been put to us and, together with some other ministries, we are looking at it.

Mr. Chairman: Thank you, Mr. Minister. Committee members, shall we vote 2304 carry?

Vote 2304 agreed to.

Mr. Chairman: We are adjourned until Thursday morning at 10 a.m.

The committee adjourned at 10:47 p.m.

ERRATA

No.	Page	Column	Line	Should read:
I-6	I-167	1	53	area the minister is familiar with called Island
I-6	I-167	2	5	of Island Lake, Ontario, petition the Ministry of
I-6	I-167	2	11	and enjoy living in Island Lake and have been
I-6	I-167	2	20	residents in Island Lake.
I-6	I-168	1	2	do not want that to happen to Island Lake. It is a

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Ontario, *LEGISLATIVE ASSEMBLY*

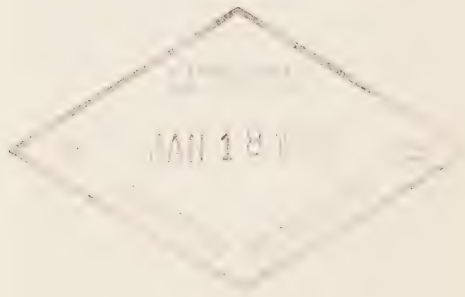
No. I-12

Legislature of Ontario Debates

Official Report (Hansard)

Standing Committee on Regulations and Other Statutory Instruments

Estimates, Ministry of Industry and Tourism



First Session, Thirty-Second Parliament

Thursday, December 10, 1981

Morning sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Thursday, December 10, 1981

The committee met at 10:10 a.m. in committee room No. 2.

ESTIMATES, MINISTRY OF INDUSTRY AND TOURISM

(continued)

Mr. Chairman: Gentlemen, I see a quorum. As you are aware, we have completed vote 2304 on tourism. We will now be going through the rest of the votes.

I am really open to the suggestion of the committee members, or to a consensus of opinion, as to whether you want to proceed logically through vote by vote, or whether you just wish to have a far-ranging discussion and do the votes at the end. It is entirely up to the committee members.

Mr. O'Neil: I suggest, Mr. Chairman, that we handle it that way.

Mr. Chairman: Agreed? Thank you.

Mr. O'Neil: There are a lot of things here I would like to mention, if I may, Mr. Minister. One is a general discussion on the Eastern Ontario Development Corporation. I know there has been quite a bit of discussion among the members of not only our party, but I understand also of the NDP, and especially in the Conservative caucus, on trying to get some type of additional assistance for those communities in eastern Ontario that are looking for industry.

I would like to have the comments of the minister or the deputy on any special projects or any special instructions the EODC may have, or plans to have, on trying to do a little more for eastern Ontario. There seems to be a lot of the industry settling here in the Toronto area and in western Ontario and I think it is about time there was a little more emphasis on those sections of eastern Ontario that would like to get some industry.

Hon. Mr. Grossman: Looking at eastern Ontario in particular, let us put EODC in the context of the rest of the corporations. In the 1980-81 fiscal year the approvals for the three corporations were as follows: Ontario Development Corporation, 358; Northern Ontario

Development Corporation, 119; EODC, 172. So EODC had just about half of the ODC total and 53 more than NODC.

The amounts involved were \$67 million for ODC, \$24.35 million for EODC and \$17.18 million for NODC. The projected five-year employment would be 9,680 for ODC, 4,004 for EODC and 919 for NODC.

From April 1, 1981, to August 31, 1981, the approvals for ODC were 197; for EODC, 71; NODC, 59. The amounts involved: ODC, \$29.9 million; EODC, \$10.4 million; and NODC, \$11.1 million.

It is interesting to compare that against the historical record from inception in 1966 through to August 31, 1981. ODC had 2,290 approvals; NODC, 879; and EODC, 840. So, historically, EODC has had fewer than NODC, yet in the last two years it has had more than NODC. Not only that, the percentage of total loans in the last two years for EODC has been substantially higher than its historical percentage.

All in all, we would be able to say that EODC has been very active, particularly relative to the other corporations, in the total loan approvals.

One aspect I think is important is to note that statistics are only that. They give you some benchmark or some record; they give you a guidepost, I suppose. The area covered by EODC has 16.7 per cent of the population but has received 22.1 per cent of all of the ODC loan approvals. The figures on export support loans are kind of interesting, too.

Mr. O'Neil: When you give that percentage, you mean last year. That is not overall for the last 10 years. You are saying they received a larger percentage lately.

Hon. Mr. Grossman: Yes.

Mr. O'Neil: But that in no way catches them up with the neglect over a number of previous years.

Hon. Mr. Grossman: After all, EODC is out in the field, working pretty aggressively. I am sure you will know the people in your area and they are pretty good people and they work pretty hard. I am sure you will agree with that. They

would, in fact, be there to stimulate activity, as are the Ministry of Industry and Tourism field staff, but the EODC staff are there to respond to activity created, to respond to applications that come in.

I could not call it neglect, I could call it an indication of the economic activity in that part of the province and the degree to which EODC has been able to respond to that activity out there.

The reality, in terms of what has been happening in the economy the last couple of years, is that eastern Ontario has obviously had some level of activity which, in spite of the difficult times, is higher than the historical situation would indicate, at least if you go by EODC measurements. They usually are pretty reflective of what is happening in the economy.

Last year EODC had 22.1 per cent of all the approvals. EODC had 34 per cent of all export support loan guarantees; ODC had 40 per cent; and NODC had 26 per cent. That is pretty interesting because it indicates that eastern Ontario is, at least by these ventures, doing more exporting than it has historically. EODC is providing a great level of assistance to that exporting challenge. The export loan program has been quadrupled in size over the last few years because of the response to the export challenge.

EODC has obviously been able to put in place a new mechanism, the export support loan program, which has been particularly needed by eastern Ontario because, as you can see, the southern and southwestern parts of the province, while they have been exporting pretty strongly too, have not had to draw down ODC support loan programs because their level is only 40 per cent. The export support loan program has apparently met a need that is fundamental to the eastern Ontario base.

Those are pretty good guideposts, I think, that the eastern Ontario demands are being met through the development corporation.

Mr. O'Neil: There is one thing some of the communities in eastern Ontario, and I suppose communities throughout the province, would like, and I would like to have some of your comments or the deputy's comments on it.

I could take as an example the area I am from, the Belleville-Trenton area. Belleville has a fair amount of industrial land available. Trenton has just assembled, I believe, over 300 acres for industrial purposes, with railroad sidings and everything else required to service them. I would like to throw in a word of thanks here

because, in speaking with the people in the town of Trenton, there is a Russ Dalrymple—I do not know whether he is in the room this morning—who is being quite helpful to the officials in the town of Trenton and also to the small village of Frankford, which is just north of Trenton, in having brought down a few people to look at the industrial land and in trying to interest them, or at least show them what is available.

10:20 a.m.

I wonder if I could ask you what you could make available—and I speak specifically about Trenton because they had made the request to you. When we have this land available, what is there I could ask you, as the ministry, to do for that town to publicize that they have this land, to make sure that people are brought down to have a look at it?

What could the ministry put on, maybe in the way of a seminar, in the town of Trenton that would be available not only to the officials of the town of Trenton, but to other contractors who have spoken to me who, of course, would be interested in the construction side of it? In other words, what could you, as a ministry, put on for the area to familiarize them with people who are available, and where they could go to contact these people? What additional types of assistance, other than the grants, would be available?

Hon. Mr. Grossman: First, I would point out that, beginning three years ago, we have assembled in Toronto all of the industrial development commissioners who wanted to participate for a rather extensive one-day seminar on ministry policies, any changes in ministry programs, funding programs, et cetera. Also at that full-day seminar, for example, we would give them a great deal of data which we had assembled with regard to overseas markets and let them know what overseas fairs we might be participating in. There are two or three major overseas fairs where international decision-makers attend.

Just to take an example, I would expect that for your particular area there would be perhaps less of an interest in—less of a payback; I do not purport to be an expert on it—but less of need for Belleville or Trenton to attend the auto show in Geneva, SITEV, the société internationale de transportation et véhicules, because most of the decision-makers will opt for central or southwestern Ontario.

Mr. Cunningham: It is a nice place.

Hon. Mr. Grossman: Geneva or southwestern Ontario? I prefer southwestern Ontario.

On the other hand, at that occasion we let them know about some other fairs they might think worth while, the Hanover fair perhaps being one of the major ones. Last year we took a great number of industrial commissioners over with us to the Hanover fair. A great number of them made a lot of good contacts. That is one of the services we provide.

Mr. O'Neil: We have had some of our people from our area go over to some of those things, such as those in the food processing business, or the fruit business.

Hon. Mr. Grossman: Yes. That is an excellent example.

Secondly, of course, we have our overseas offices, which are picking up industrial leads all the time. Those are passed on through our offices here out to our field offices and out to the various municipalities. That is something that is not terribly visible until someone actually arrives in one municipality.

Mr. O'Neil: How do they pass out those leads?

Hon. Mr. Grossman: A combination of things will happen. An investor overseas will say: "I am looking at or have decided to locate in Canada. Here are my needs." That could include a certain amount of sewage capacity, maybe access to a major artery. There could be a whole range of things—labour market, related access to a raw material base close by—a great number of things.

Having done that—if that is the sort of thing it is, with a list of criteria—then our plant location section under the auspices of Jack Delaney will review it, put together a series of sites which seem to meet most of the criteria and take that potential investor to those communities. You have referred to the fact that one of our field staff has had people out in your community.

We are never selective. In other words, we do not say, "Let us take this potential investor to a particular municipality because it has high unemployment," or, "They have had a recent plant closure in this city, so let us take them there." We do not do that. What we do is take them to all of the sites which appear to meet their criteria and work with them so they can make the most appropriate selection.

Mr. O'Neil: I guess you are familiar with all the areas of the province and know how much land is available in, say, Ottawa, Trenton or Belleville.

Hon. Mr. Grossman: Yes. We have what we believe is a complete inventory of raw land and serviced land and the completed buildings that are available and waiting.

Mr. O'Neil: How often would you do an update on something like that, for example, in the area of Belleville or Trenton?

Hon. Mr. Grossman: It is done on an ongoing basis with information fed by our field offices. That is one of the advantages of having our field offices throughout the province.

Mr. O'Neil: The one in Kingston?

Hon. Mr. Grossman: Yes. They are really in charge of feeding that information to us and we have found it to be quite up to date. We have the inventory and we can provide that information. Inevitably someone will come, finally, to look at the various sites and my plant location section will take that person to the six or seven municipalities we think fit the criteria.

In other cases a foreign investor will have decided, after having done a great deal of homework with our field offices, perhaps, but most often just on their own, that he wants to locate in a particular municipality. In that case we will work with that person, and take him to the municipality and so on. There are a variety of ways in which all that can happen and those activities are ongoing.

You mentioned the possibility of a seminar of some sort and that is not a bad idea. We will certainly take a look at that.

One thing we have tried to develop through our programs, both on the Ontario Development Corporation side and on the ministry side itself, is flexibility, so we can shape our activities to the different demands of municipalities. Obviously the needs of Windsor are dramatically different from the needs of Belleville, Brockville and Trenton. We are trying to equip our people, who have been very good at adapting to the changing circumstances, to be able to respond with whatever kind of assistance is necessary.

Hence there is some flexibility, for example, in moving to a situation where a very tentative investor is tilting towards the United States. A particular municipality will have contacted that investor as a result of the information we have provided at our one-day seminar. The industrial commissioner will have let us know that they wanted to have a special crack at that investor, so we might fly the person over, meet him here, take him out to the municipality and work with the municipality to try and encourage him to make that investment here.

There are a great number of ongoing activities. But, as I mentioned, we are always looking for some suggestion such as you have put forward.

Mr. O'Neil: Belleville has had an industrial commissioner for a number of years and there is now a new one in Trenton, General Sharpe. I would ask that your staff contact him and keep me advised.

I would like to see a seminar set up not only for the industrial people, but also for some of the councillors, construction people and real estate people, who would be interested in working hard to attract some industry to the Quinte area. I would appreciate your co-operation in keeping me advised on that. I know they, like all other centres, are interested in getting something to fill up all this new land they have just put together.

Hon. Mr. Grossman: I should add that our experience shows that some of the best salespersons for municipalities are the people who are already in business there. There is nothing like having a businessman in a related field come to meet a potential investor and tell him, firsthand, how successful the business is there and how good a place it is to do business.

When we attracted the international fair, *société internationale de transportation et véhicules*, to Toronto, we invited all of the industrial commissioners and all of the mayors to come and put up booths. We also invited the others to come down to spend a day visiting the displays of some auto parts manufacturers and encouraging them to come to their municipality. There were people from Georgia, Tennessee and Kentucky with booths at this fair, and we urged Ontario municipalities to do the same.

10:30 a.m.

There was obviously a high level of activity there. Some municipalities sent their mayor, some sent their industrial development commissioners, some sent the local chamber and some sent a combination of municipal elected representatives and business people. In the case of the combinations of civic officials, who were able to sell their municipality in the general sense of lifestyle and so on, and of local businessmen, who were there to talk businessman to businessman with some investors, some of them worked very well. One of the best efforts put forward was by Midland, who followed that sequence exactly. I am sure your new commissioner is aware of those activities.

Mr. O'Neil: It is also sometimes nice to get two or three of your people from the different departments here in head office to look at these communities.

While I am selling our area, you are probably

aware that we have just picked up about \$400,000 for Loyalist College of Applied Arts and Technology for work on Telidon. I hope your entire staff knows this, because we are interested in attracting some related industries to settle in that area and possibly use Loyalist College for staff training and so on. I would appreciate it if your staff could contact us in that regard and perhaps set up some seminars in the area.

Hon. Mr. Grossman: We will do that. Thank you.

Mr. O'Neil: You also referred to the food processing business and that some penetration has been made into the foreign markets. You will be aware that both Mr. Sheppard's area and mine are great food producers and that we have picked up some Eastern Ontario Development Corporation loans for some companies which have recently opened a new plant to process all the orange juice for McDonald's hamburger chain for all of Canada.

Perhaps I could have your suggestions for assistance that might be provided for some of the vegetable and fruit growers in our ridings to help them to penetrate further into these foreign markets.

Hon. Mr. Grossman: We are working closely with the Ministry of Agriculture and Food to deal with that problem. The export thrust has been done largely by the Ministry of Agriculture and Food in conjunction with our ministry. Two Agriculture and Food employees work out of the trade division in my ministry because we have the international trade links. They have been very effective.

We are working with that unit, together with some policy people at Agriculture and Food, to see what we can do with regard to expanding that effort. That is also being done in conjunction with the Board of Industrial Leadership and Development funding, which you will be aware of, in the food processing area. My ministry, as we indicated in our opening remarks, has been given the lead responsibility for the preparation of the food processing cases sent to BILD.

In the preparation of those cases we have tried to spend the last few months working with our sister ministry to develop an overall strategy which would include trying to define the kinds of firms that should be eligible for assistance through BILD and making sure there is a forward linkage—that you do not just give money to a processor and then hope for the best.

The idea is to end up with an overall strategy which obviously includes having the crops available and a market at the other end of the processing chain. As a matter of fact, I have in front of me the list of food processing inquiries which have been made to our evaluation and assessment branch. As I glance through the list, I see a number from eastern Ontario, covering the entire range of processed food products.

Mr. O'Neil: I would like to get a copy of that list, Mr. Minister. I would appreciate it if I could have one.

Hon. Mr. Grossman: We would have to check with the firms because some of them are inquiries only and others have reached a later stage.

Mr. O'Neil: Maybe we could have a list of those that have been approved.

Hon. Mr. Grossman: Sure.

Mr. Cooke: Could I ask a supplementary? I met with some farmers from Leamington, south Essex, a few weeks ago and one of the problems they were talking about was the push to get into canning peaches. They cannot get a commitment out of their cannery to sign a contract that will guarantee that some food processor will take their peaches.

I believe it will take three years from the time they plant their trees until the time they get their first peaches and Heinz is not willing to sign any kind of a commitment to take the peaches. What farmer is going to put that kind of investment into planting a crop when there are no guarantees?

Hon. Mr. Grossman: You have accurately identified one of the problems, the need for some security against changed commodity prices over a period of years. It requires, I think, more like five years to get a sufficient initial crop of clingstone peaches which, if I recall correctly, are what is required to complete the processing link. For his part, the processor has to know that there is going to be a market in five years for those peaches and in committing himself to make that purchase, must be concerned about the price for which he can market the canned peaches.

That is a very good example of the kind of work we are doing right now—and I mean right now—to try to determine, with the Ministry of Agriculture and Food, what must be done to provide the necessary security to both parties in that link. That is what is required to make it a viable exercise to start growing the kinds of products that can be processed and canned here in Ontario.

There has been an extensive amount of work done on that. It may well be that both ministries, or the Board of Industrial Leadership and Development or the government, from some other source, will end up having to provide some insurance against events that might occur over that five-year period, in order to make the changeover of crops and the conversion of some processing plants to that product five years down the road, something that is possible for both sides. I would be the first to acknowledge that there are possibilities to be seized in the next couple of years which may well require some level of government participation.

Mr. Cooke: There is tremendous fear among the farmers, not only for the new crops but even for their present crops. The tomato farmers do not feel a sense of security that their contract with Heinz will not be cancelled. I do not know what it is and they are not really all that willing to talk about it, because they look at Heinz as being the sole controller, that they work for Heinz; and they do, in effect. There is a lot of mistrust among the farmers with regard to that company.

Do you know if Heinz are now in a position to supply from their one major facility just about the full line of Heinz products for all of Canada, or are they still importing from the west?

Hon. Mr. Grossman: I will try to get that Heinz information. I am informed that Heinz is in discussion with the Ministry of Agriculture and Food on that and a variety of issues.

I would like to say something on the question of contracts being cancelled. It is one of the things you buy when you have government assistance involved, because if you provide some assistance, as we may well do through the BILD food processing money, you obviously can write in terms which oblige the company to honour some contracts. Ultimately the company could decide to forfeit the money, to hand it back to government and make another change.

However, in the case where some financial assistance is given, likely to both the producer and processor, to the extent to which guarantees are effective you can write in guarantees that provide a lot more security than having it just happen out there without government involvement. That is precisely the kind of thing we are now looking at. We need to look at it. We and the Ministry of Agriculture and Food are very concerned and aware of that problem.

10:40 a.m.

Those things are going on right now and we hope we can resolve some of those matters in the near future. As you know, we have neglected the role of the marketing boards in this whole process. It becomes difficult to make arrangements everyone will be able to live with over a five-year period. Those are very real concerns.

Mr. Sheppard: Supplementary to the minister: I do not know whether you are aware of it or not, but the Ontario Vegetable Growers' Association is sending five or six people to Europe to try to drum up some export trade. The other day I asked the Minister of Agriculture and Food (Mr. Henderson) if he was considering sending anyone over with them.

I would like to ask you if you would consider sending someone from your department with them to try to help our trade situation. I understand one or two directors from the processing plant in Murray township Mr. O'Neil was referring to a few minutes ago are going on this trip. I think it would be a great asset to our government and the province if you could consider sending someone over with them.

Mr. O'Neil: Maybe you and I could go, Howard.

Mr. Sheppard: I would if they would ask me.

Hon. Mr. Grossman: We might do that.

If you will give me the details of that—I know Agriculture and Food is aware of it—we will contact them to make sure some sort of government presence is there.

Mr. Sheppard: When the two ministries are working together—and I think I discussed it with you some time ago—

Hon. Mr. Grossman: Yes, you did.

Mr. Sheppard: —it would be appropriate if the two ministries could get together and send someone over with those fellows.

Hon. Mr. Grossman: As I indicated earlier, we have two Agriculture and Food people working with and situated in our ministry. That gives them access to all of our international trade contacts and foreign offices. They usually use those quite effectively.

I presume that same sequence has occurred here. If they are not going along, they are satisfied enough work has been done through our foreign offices to ensure the proper linkage has been made on that trip. However, I will be pleased to have another look at it. If a government presence would be helpful as part of the mission, then we or Agriculture and Food will make sure someone is along.

Mr. Sheppard: I understand it is the last 10 days in January. I think they are supposed to fly home around February 3.

Hon. Mr. Grossman: Where are they going?

Mr. Sheppard: I am not sure; they did not tell me exactly.

Hon. Mr. Grossman: Roughly, where are they going?

Mr. Sheppard: Europe. I know they are going to Great Britain. They are going to visit three or four countries.

Hon. Mr. Grossman: In the UK, Ontario House is well equipped to handle people right on site. They are very good. They have had exhibits, displays and receptions in the building itself, which has recently been renovated, together with a lot of outreach activities into the business community. They field a pretty large and effective field staff as well. The Ministry of Agriculture and Food has a permanent person placed in Ontario House to handle missions such as that.

Mr. Sheppard: I forget his name, but I understand he is going to meet them when they first arrive.

Mr. O'Neil: Mr. Minister, I have one final matter on which you asked me to wait until the end of my comments so you could get the file on it. That concerns the Life Leathercraft Company owned by Mr. Tom Spatafore in Hastings county.

This business is located in the Coe Hill area and is quite important to the economy of that particular area. I would say it is likely one of the largest industries in Hastings county with the number of people it has employed.

The comments I have received from the company are that it will be going out of business on December 14 unless some type of additional assistance is received. The Canadian Imperial Bank of Commerce is calling in their credit line. It will mean a loss of approximately 100 jobs in that area, which already has approximately a 50 per cent unemployment rate. From what I understand, they had over 100 people employed there. They are now down to a very small number because of some of the credit problems they have run into.

My understanding is they received a loan from the Eastern Ontario Development Corporation in the amount of approximately \$192,000. They opened a new warehouse in May 1981. They tell us they have outstanding contracts totalling over \$1 million. They have receivables totalling about \$147,000 and stock totalling \$236,000.

An assessment was done by Price Waterhouse Associates saying the business is a viable one, but they need approximately \$55,000 in temporary financing. You have the file there and you certainly must have an update on it. I wonder if there is any way some type of assistance can be given to that company so it does not fold and increase the unemployment rate.

Hon. Mr. Grossman: Thank you. As you have said, you have contacted me earlier about this case. My colleague Jim Pollock has spoken to me about this case and I know he wanted to raise it this morning as well.

Mr. O'Neil: You know, there have been comments. Reeve Gunter says: "Wollaston residents are pretty worried about the whole thing. We are trying everything in our power to keep the operation open. It is the only industry we have of any size and we were setting great store in keeping it open." People are very worried about the situation.

Hon. Mr. Grossman: I will ask David Girvin, who is our acting Assistant Deputy Minister of Industry and Tourism and the chief executive officer of the Ontario Development Corporation, to take you through that one.

Mr. Girvin: Basically, the facts you outlined are the same as ours. As a result of this rather sudden change on the part of the Canadian Imperial Bank of Commerce, we have had a series of conversations and meetings and attempts to follow up relative to our \$192,000. We are working with the Federal Business Development Bank relative to our security. We are prepared to work out any sort of stand-off as far as our security arrangements in dealing with the Federal Business Development Bank are concerned.

The director of loan applications for the Eastern Ontario Development Corporation has contacted the bank. Price Waterhouse has nearly completed their study on behalf of the federal government. They are making a formal presentation to the bank to indicate there is no strong requirement for the calling of the loan at the present time on the basis of liquid inventory and hard receivables.

Mr. O'Neil: That is by Price Waterhouse, is it?

Mr. Girvin: Yes. We are attempting to apply moral suasion relative to the situation with the bank. In addition, there is a requirement for equity and our staff, both in the ministry and the development corporations, have been looking at this.

They have contacted the Ministry of Revenue concerning small business development corporations and are now working on seeing whether there is a small business development corporation in that area that would be interested in coming to the table with the Federal Business Development Bank and ourselves and deal with the bank in order to come to a satisfactory arrangement.

It is of great concern because of the size of the community and the number of people employed and also the very fact we have dispersed \$192,000 in the last year. The company did have a significant overrun as far as their costs go and I think that has been the major reason for their present dilemma.

Mr. O'Neil: You are saying they had an overrun in their costs. What do you mean?

Mr. Girvin: Overrun in their building costs as far as the expansion on the warehouse, et cetera, is concerned. That has put them in a very precarious working capital position. We are quite hopeful we can reach a satisfactory compromise with the bank and the other players involved.

We hope we will be able to structure a package in which we would back off on our security. Whether or not we would put additional funding in would be dependent upon whether there was another equity partner and what the positions are of the bank and the Federal Business Development Bank.

We are an active player and we hope we can beat the short deadline of the bank. It was discussed at a meeting of the board of directors of the Eastern Ontario Development Corporation yesterday afternoon. In the light of the circumstances, if there is some arrangement that can be made, we would not wait for the next board meeting. We would have a conference call and act appropriately. December 14 might not be a hard date with the bank. We are hopeful it is not.

10:50 a.m.

Mr. O'Neil: Very good. I wonder if the minister has any other comments?

Hon. Mr. Grossman: No, I can only say it has been carefully watched by Dave and his people in the past several weeks since that has developed.

Mr. O'Neil: I wonder if I could ask you to keep me advised on what is happening there too. I have people in my riding who actually work in that area who are quite concerned.

Also, one final thing and that is—

The Acting Chairman (Mr. Barlow): Excuse me, Mr. O'Neil. Mr. Pollock, did you have a supplementary on this question?

Mr. Pollock: I have not been here for the whole comments, Mr. Chairman, but I am quite concerned about it because it concerns my riding. I understood it was going to be a 50-50 deal between the Federal Business Development Bank and the Ontario Industry and Tourism branch. Apparently that question has been asked and answered. Is that right?

Mr. Girvin: If I may answer, Mr. Chairman, the actual structuring of the deal has not been finalized. There are quite a few moving parts in this situation, including a potential equity partner, the relationship of the bank and their particular demands and the Federal Business Development Bank and ourselves.

We are already in there with a fairly substantial amount of financial assistance and we are prepared to stand back relative to security. We will be a catalyst. There is no problem as far as being a player goes, but to state it is going to be 50-50 between the Federal Business Development Bank and the OEDC, I do not believe that is a final agreement at this stage.

Mr. Pollock: One other question. When this was set up less than a year ago, I presume the present owner and the people involved at that time agreed the \$192,000 interest-free loan put into it was what was needed to run this business?

Mr. Girvin: Yes, it was. Like many situations over the last year involving sales penetrating certain markets, with the foreign export orders they were trying to attract from Germany, which are quite significant at the present time, and generally high interest rates, some of those plans did not fall into place as was previously ascertained. There was a fairly significant overrun in their capital budgeting in the expansion of the warehouse. That has been the major problem in this situation.

Mr. Haggerty: Are there any other problems in that area? If the funding is from the EODC and the Northern Ontario Development Corporation, then I make reference to the annual report of the Provincial Auditor of Ontario. He had some interesting comments there. I am sure the minister has read it. It concerns the inconsistency of the approach taken through the corporation, I guess, and the funding incentives under the Ontario business incentives program loans—that is the interest-free loans. Have your staff any comments on that?

The auditor recommends the corporations

upgrade their monitoring procedures to ensure any deficiencies are promptly brought to management's attention. It does relate to the matter of followup on assessing the criteria of the corporations, through such factors as job creation, export increase, import decrease and the amount of research and development to be undertaken, et cetera. He raises the matter that because there are some problems in this area, perhaps the corporation has not had time to respond to his comments. Have they had a chance to review that, and what are the comments?

Hon. Mr. Grossman: Mr. Girvin is quite up to date on that.

Mr. Girvin: Yes, at that time the Provincial Auditor was monitoring eight or 12 cases out of the 2,000 plus in the inventory of the three development corporations during the period 1974-75.

The monitoring they are referring to is not financial monitoring, disbursement or normal fiduciary responsibilities. It is talking about the ability to derive appropriate information from the client on jobs, or other ancillary information. They were not referring to whether or not the project had been completed, whether there were overruns, or whether or not the situation was up and running, et cetera.

From the discussions we have had with him I think the auditor is sympathetic with the circumstances that if a client, when asked, does not wish, for a variety of reasons, to provide a lot of detailed information on some of the questions we are interested in, outside of our basic loan agreement and the required reporting structures, how does one apply normal suasion to that client, other than calling his loan?

Mr. Stokes: Surely that is part of the deal. You have lent money to these companies on the assumption and with the assurance that they are going to create jobs.

The Acting Chairman: Can the gentleman finish his remarks? If you have a supplementary, you can ask it at that time.

Mr. Cunningham: I have a supplementary as well, Mr. Chairman.

Mr. Girvin: On the requirements for reporting, there are certain things on pollution and annual audited statements which are part of the loan agreement itself. We also ask for other information that is not part of the loan agreement. With a client who may or may not be interested in providing that information, we

apply, both in writing and in phone calls, a great deal of effort in attempting to get that information.

If the suggestion is that we should be calling a loan or applying a heavy hand to someone who is not supplying information concerning a monitoring aspect that is outside the basic loan agreement, we think that might be quite harsh.

Mr. Haggerty: He raises the point here, as I interpret his comments, that in reviewing the situation you are not following up on the jobs the loan is supposed to create. I talked to the minister just the other day about a loan of \$1 million granted in Erie riding that it was hoped would create 400 new jobs. That is not the case today. The plant is laying off.

How many more of these loans are you giving out in the same circumstances? These are public funds and there should be some accountability. In fact, I question the giving of interest-free loans. In my opinion you should not be giving anyone interest-free loans.

I do think there should be funding. If industry wants to borrow money from the province to assist them in their expansion it should be a reasonable, affordable loan.

Mr. Cooke: You should have talked to Herb Gray.

Mr. Haggerty: I have talked to the federal government about it. The federal government has a habit of doing this, too. I am looking at the high interest rates, not only to the industry, but to small businessmen and home owners. If the government really wants to do something I think it is time it came in with some form of standardized-interest loan.

Under the Ontario Development Corporation I believe you can have from zero to 12 per cent. How do you pick who gets 12 per cent and who gets zero or six per cent? There is no uniformity, there is no justice in the system, in the way you are running the business in Ontario.

If you talked to businessmen in the area they will tell you there should be no interest-free loans. Loans should be made on an equity basis. If people wish to borrow from the government for the purpose of creating jobs, et cetera, everyone should be treated alike.

I look at the ski industry, for example. For years I think some of them had duplicated loans at zero interest. I do not think the government can continue to operate in this way, giving out loans interest-free. It is tough to tell that to the public today when people are losing their homes.

11 a.m.

I have had industry in the Niagara Peninsula interested in assistance in expanding there and, I will tell you, some of them are running into difficulties because they are being told, "Well, you have a business going now, you do not need help."

I look at a particular firm in Port Colborne where the man was trying to expand his business and would have created 30 new jobs in a fabricating shop. He was denied a loan. I further checked with your staff in the Niagara Peninsula who said there is all kinds of industry that wants to locate in the Niagara area, but there is difficulty in obtaining some assistance from the Ontario Development Corporation.

There are different criteria and I think this is the point the auditor is bringing forward; you are not consistent in funding. We should take a good close look at this area under the circumstances that many industries are closing their doors where with a little bit of help, capital funding and so on, perhaps they could survive and continue as employers. But I think interest-free loans are causing you problems.

Mr. Girvin: May I respond to that, sir? First of all I do not believe there is the level of inconsistency you are talking about, particularly with regard to your statement on interest rates being zero or six per cent, et cetera.

The interest rates of the development corporation are set on a monthly basis, tied into the Treasury of Ontario's 10-year borrowing rate; that is our base rate. Tourism and export support assistance is two points below that. That is a fixed policy, so interest rates do go up and down on a monthly basis.

There is a strong incentive created by the actual rates themselves. It is below the market rate, but not substantially below the market rate. At the present time our basic rate on term funding is 16 per cent, on export support and tourism it is 14.

Concerning your comments, sir, on interest and principle deferral as an incentive, they are evaluated on a case by case basis. Yes, we are selective; we have been particularly so in the last year. There has been a significant reduction in the number of OBIP, or Ontario business incentive program loans that have been given. To date this year, in the three corporations some 82 OBIP loans totalling some \$13 million were given. This compares to last year and previous years, where there was a higher figure. The reason—

Mr. O'Neil: What were those higher figures? Have you any idea?

Mr. Girvin: We are talking somewhere in the range of \$32 million in the last fiscal year.

The reason for the selectivity was a concern on our part that the incentive should be tied only to a cash-flow requirement of the client, particularly in the first two crucial years of any net expansion or growth relative to that company when working capital requirements are quite significant and there is the highest level of risk.

Therefore we have a consistent policy relative to the granting of incentives that is not tied to an incentive for incentive's sake. It is tied to the individual project on a case by case basis as far as the requirements of that applicant to get to a certain stage are concerned. We consider that we are a development corporation, that we are a catalyst and that we are trying to get small and intermediate, primarily Canadian-owned, businesses to the next level of growth.

There is not an interest rate fluctuating about six per cent, 12 per cent et cetera. The incentive program is tied to the cash-flow requirements of the individual client.

The Acting Chairman: Mr. Stokes, did you have a supplementary on that?

Mr. Stokes: No, not on that particularly. I want to get in on something else.

Mr. Cunningham: I wanted to ask Mr. Girvin if he thought that his budget requirements were sufficient, in view of the increased demands being made on that aspect of his ministry, more particularly by the small businesses that would like to take advantage of the myriad of programs your ministry offers, most of which I am sure the members of our party support. Do you feel at these difficult times, when small businesses are facing the crunch, that you are adequately funded to assist them?

Interjection.

Mr. Girvin: I would prefer that you ask the minister.

Mr. Cunningham: I did not ask the minister.

Hon. Mr. Grossman: In estimates, you direct the questions to the minister and he may ask staff to answer.

Mr. Cunningham: Dance around.

Hon. Mr. Grossman: If you do not want the answer, you can go on to the next question.

Mr. Cunningham: I wanted the answer from Mr. Girvin. He was prepared to reply.

Hon. Mr. Grossman: If you do not want the answer from me, I will not give you the answer.

Mr. Cunningham: I was just told this morning that for \$1 million potentially you could have 400 jobs. We hear of another situation in Mr.

Pollock's constituency where a little bit of government assistance would save a number of jobs.

I am not going to suggest that we should have to tie these companies to finite levels of job prediction and that they have to live up to it or we call the loans. My suggestion to you is you are drastically underfunded and that the priorities of your government are sadly misplaced. You can spend money on Minaki, you can spend money on Suncor, you can spend money on Massey, which I have some doubts about, on government advertising, the figures for which you have yet to provide to me after I have asked for them, but you cannot adequately fund some of these programs that would assist in keeping businesses alive or in expanding new businesses.

Mr. Cassidy: By the way, he believes in balancing the budget as well.

Mr. Cunningham: I think you will after a while.

Hon. Mr. Grossman: May I say that we went over the Ontario Development Corporation figures earlier. I know it is comfortable for you to talk about the Massey and Chrysler—which we stayed out of—and Volkswagen situations, but to date, if you look at those situations we have paid out—though we may end up paying out more, depending on what happens in the Massey situation.

It is interesting that everyone likes to talk about the big cases and so on, as though that is all the government does, but in fact on those three major projects we have paid out a grand total—we have not even paid it yet—of \$9.2 million. We have paid out, or are obliged to pay out, a grand total of \$9.2 million for all of those big companies that everyone likes to say government is bailing out.

Conversely, Mr. Girvin's budget allows him to make commitments in any given year to about 500 to 600 small and medium-sized, basically Canadian-owned firms. They are fairly spread out by region. The total amount disbursed in the last fiscal year was \$51,101,000.

The important part of that is the maximum amount given under the current ODC levels is \$500,000. That will give you a fair read on the number of firms that are being helped, and how much they are being helped, in that \$51 million per annum is being given to those firms as opposed to the Massey-Chrysler-Volkswagen syndrome, where the government, to date, is obliged to lay out \$9.2 million.

I should also add—and I know you will be

familiar with this—that there have been dramatic increases, important increases, to the flexibility the development corporations have and the amount of money they can lever or use to assist small and medium-sized Canadian businesses out there.

For example, effective this fiscal year we have developed a new mechanism, with the approval of my colleagues, providing for guarantees with incentives. That means instead of making a \$500,000 loan to a company out of the \$51 million allocated to the ODC in this fiscal year, in essence we can enter into an arrangement with a financing institution that we will guarantee a loan which they advance, hence not using up our \$51 million allocation. We guarantee a bank loan, which obviously helps the rate being paid, and we have permission to grant incentives beginning at five per cent the first year, four per cent the second year, declining to one per cent the fifth year.

Mr. O'Neil: Do you mean you are subsidizing the interest rate on those loans the banks give? Is that what you are saying?

Hon. Mr. Grossman: We have, in circumstances such as David has indicated, where that sort of incentive is required for cash-flow purposes.

Mr. O'Neil: In other words, if their interest rate is, say, 20 per cent, you would subsidize that 20 to cut it back to, say, 15 or something, so that actually they are just paying the year one only.

11:10 a.m.

Hon. Mr. Grossman: And then four, three, two, one. It is just an attempt to get the company rolling and help it in the early years of the new project when the cash flow is low. Therefore, we will help them with the interest portion in the first year. As soon as the company gets stronger over the first five years, the degree of our help decreases.

Those guarantees show up as a contingent liability on the government's financial sheet, yet the government has decided to make that guarantee option available to our client group in addition to the \$51 million worth of business we will be doing this year.

In addition to that, we have had our export support loan level increased from \$12.5 million to \$25 million and now to \$50 million, and the level doubled from \$500,000 to \$1 million for export support loans. Export support loans have become an important part of the business because more and more people are exporting.

We are trying to meet a demand that is felt in the marketplace to finance those exports on a revolving basis.

I have talked quickly, but those are important amounts of money I have talked about: the guarantee aspect which allows us to provide a lot more money out there; the export support loan program which is now enriched to \$50 million from \$12.5 million perhaps 14 or 16 months ago. As well, you will recall we have the high-tech equity fund established out of BILD, \$50 million over five years, in addition to ODC's base funding, which is a fund pointed specifically at the small Canadian-owned, high-tech firms.

In addition to that, of course, we have the eastern Ontario subsidiary agreements which we talked about the other night and the northern Ontario subsidiary agreement; these again put additional resources at hand.

So when you look over the history of ODC over the past three years—really, over the past 18 months—you find there has been a very substantial increase in both the amount of resources available to ODC to help our client group and, almost as important, the flexibility in the number of tools at hand to draw programs and provide assistance which are most particularly helpful to firms in view of their particular problems.

I must say, given that array of increased funding and that array of increased flexibility, I really cannot accept any suggestion that ODC has been in any way neglected or under-funded. If anything, it has been very substantially increased over the past year or so.

Mr. Cassidy: Mr. Chairman, on a point of order, this discussion has gone on in supplementaries for 25 or 30 minutes, based on an initial comment made by the member for Quinte (Mr. O'Neil) with respect to Life Leathercraft in north Hastings county. It does seem to me that, whatever the speakers' list was, it has been completely thrown out the window.

If that is the way you want to pursue it, I will be happy to come in and intervene with supplementaries as well, but I did come in here and made it clear at the beginning that I wished to participate in the debate. It seems to me that the normal rules have just about broken down.

Could I have a ruling from you about that, please?

Mr. Chairman: Yes, you may, Mr. Cassidy. As you are well aware, I was absent from the chair for approximately an hour.

Mr. Cooke: Blame it on the acting chairman.

Mr. Chairman: No, I am not doing that at all. No doubt Mr. Barlow ruled quite properly that these questions were supplementary, but your point is very well taken and I would concur that you can use the process of supplementary questions to turn it to your advantage to be asking new questions.

I would suggest that we let Mr. O'Neil finish the one further point he has, and that we then hear from you.

Mr. Cassidy: Thank you.

Mr. O'Neil: Thank you, Mr. Chairman. I take it, Mr. Minister, that you will be in touch with us on an ongoing basis concerning Life Leathercraft and will be doing whatever you can to keep this business open.

In my closing remarks I would like to say I know that sometimes we are critical of the ministry and some of the things it does, but I would like to make one comment. I mentioned Mr. Dalrymple, who has been very helpful to us in the Quinte area. I would also like to put in a word of thanks to the gentleman—I do not have his name—at the branch which tries to find skilled people, whether they be people from within the province or outside the province.

Hon. Mr. Grossman: Jim Carrick.

Mr. O'Neil: Of course, none of us likes to see skilled workers brought in from outside, we would rather they were found here, but I will say that there have been a couple of instances, one of those being Erie Technological Services in the town of Trenton, which called on that particular branch and they were more than helpful in assisting in getting the people they needed for those jobs so that other people in the plant could remain working. I wanted to mention that.

Hon. Mr. Grossman: Thank you very much. You were referring, I think, to Mr. Carrick, head of the selective placement service, who has an excellent reputation. As always in these estimates, I do understand there are valid differences of opinion on policy and implementation, but I also understand that for the most part there has been very little criticism, if any, over the years with regard to our head office or field staff and we all appreciate that support. I think it is well earned by the civil servants, in this ministry, certainly.

Mr. O'Neil: I will say, though, that I believe some of the questions we have raised—both those I have raised and those of our party members—during the tourism and industry portion of the estimates are taken as comments

and are not always followed up on by staff. I will be going back over my comments and our opening remarks in Hansard and I want to know that your staff members will be contacting us on the points we have raised and providing us with the answers to the questions we have asked.

Hon. Mr. Grossman: I can assure you that we will go over Hansard from start to finish and make sure that each point raised is dealt with by the staff at some point. We will keep you informed of the Leathercraft situation; in fact, we have been keeping my colleague, Mr. Pollock, informed and we will make sure you get the same information Mr. Pollock is getting.

Mr. O'Neil: I would hope so.

Hon. Mr. Grossman: Perhaps even at the same times.

Mr. O'Neil: I can tell you, though, that I will not be harassing your staff.

Hon. Mr. Grossman: I said perhaps, and you had better not harass them.

Mr. Cassidy: I have a number of questions which relate to job creation, Mr. Chairman. I was in Peterborough two days ago and before I went I had a chance to have a look at information about plant openings and plant expansions in Peterborough between 1979 and now—the November and October figures, I suppose, for 1981—which indicate there are estimated to be about 111 jobs being created by new plants opened up in the last two and a half years and 197 jobs with seven or eight plants which have expanded.

Against that, the minister is aware of very sharp drops in employment, particularly in a company like Outboard Marine which in the course of the last decade has gone from 2,200 to around 500 workers today, and similar sharp declines at Canadian General Electric. There are currently some 6,000 people on the unemployment rolls in Peterborough. There was the same number last year and the same number the year before that.

Could the minister say what is the job target and how many jobs you intend to create through BILD and through other programs in Peterborough over the course of the next few years?

Hon. Mr. Grossman: We are rather hopeful about the Peterborough situation. I know you want to try to make the point that under the BILD program we have not specified, neither has the program been struck to specify, that a certain number of jobs will be created, for example, by our high-tech equity fund. Our biotechnology company is another example,

\$30 million; 100 jobs will be created in the biotech company. It is not in Peterborough but we are talking about the principle now.

Mr. Cassidy: I am talking about Peterborough and what is going to happen there. What does the government have in mind for job creation when there are 6,000 people who are unemployed and when that has been a steady state now for several years in Peterborough?

Hon. Mr. Grossman: Obviously, there are several things before BILD under various headings from Peterborough and the Peterborough area. Obviously, I cannot say which ones of those, if any, will be approved, but we are looking at several options.

Mr. Cassidy: How many jobs?

Hon. Mr. Grossman: Depending on the degree of assistance we might provide, depending upon the firms in question, there would be a varying number of jobs. I am bound by some confidentiality on some aspects of it but there is no question that there are some very solid submissions being made at Peterborough.

In fact, when you look at those kinds of applications, the numbers of jobs will very much depend on how successful some of our initiatives are. For example, CGE in Peterborough is very successful, one of the leaders, in robotics in the computer-aided design/computer-aided manufacturing field. In fact, they have made a submission for the CAD/CAM centre, and a very good submission, to BILD.

11:20 a.m.

If you are asking, as an example of how we have to deal with employment creation under BILD, how many jobs would be created at CGE if the CAD/CAM or robotics centre went to Peterborough, then it would be a modest number. But if you are asking how many jobs would be created in Peterborough in CGE, as a result of the province-wide initiatives being taken through the microelectronics centre, the robotics centre, wherever it goes, the automotive technical centre, wherever it may go, then literally it would be unfair of me, on either the high side or the low side, to try to predict how many jobs are going to be created.

This government is going to spend tens of millions of dollars putting in some high-tech institutes to try and deal with the problem of adaptation of robotics and microelectronics to our small- and medium-sized business communities.

There will be an enormous amount of adaptations going on; I am convinced that the centres

we will be building will allow our small businesses to expand dramatically and to get technology that they would otherwise not even have known about, and to get markets that, before now, they had not even dreamed of.

If you ask me how many jobs would that create in Peterborough, depending on the takeup of those initiatives in every community in this province, there could be a small number and there could be thousands of jobs. If you want to get into the trite exercise of saying, "Well, then you are telling me that you don't know of any jobs that we have created," then I have to tell you if that is the approach—

Mr. Cassidy: Why is that trite, Mr. Minister? It seems to be pretty important to people who have to live on unemployment insurance or welfare right now.

Hon. Mr. Grossman: If your proposition is that on the one hand you are always suggesting to us we do not do enough research and development and we do not worry enough about the application of new technology to this province, and on the other hand, whenever we make major investments in both of those areas, R and D and the application of high technology, you say, "Well, you don't know how many jobs you are going to be creating by that," then, with respect, it would indicate a lack of understanding or appreciation or acknowledgement of the fact that R and D is an unpredictable business, that you cannot predict any more than I can what the uptake of new technology is going to be, or what markets there are going to be, and the financial capability of some firms to adapt to that.

If your proposition is that government investments in R and D and high technology should only be made when we can nail down the precise number of jobs that are going to be created as a result of that investment, then, with respect, there will never be any high-tech investments; there will never be any R and D investments by government.

Indeed, if private sector companies which do the majority of R and D in every country of the world, only decided to do R and D based upon a known number of jobs they could create, a known amount of sales that would result from that R and D, then the whole R and D cycle would disappear, because no one ever knows, by its very definition. R and D is experimental, in the very definition of research; it is development to see if a product can be developed, refined and if markets can be established for something we are now about to invest in to try and create. So there is no certainty to it.

Mr. Cassidy: Is the minister saying, then, that the BILD program is basically an R and D program and should be judged as such and nothing else?

Hon. Mr. Grossman: No, of course we have not said that, and if you want to run through all of the BILD programs—

Mr. Cassidy: No, the reason I asked that question is because you seemed to be saying that you could not give us job estimates for Peterborough because the BILD program was an R and D program. Perhaps I can ask you about St. Thomas.

Hon. Mr. Grossman: No. Perhaps before you go community by community, we could deal with the one community you raised. The reason I talked about R and D in connection with the Peterborough community is that CGE is one of the strongest companies, if not the strongest company, in robotics technology in this province.

Will BILD create any jobs in Peterborough? My answer to you was that yes, BILD could potentially create a great number of jobs in Peterborough, depending on the success of our high-tech centres and the outreach aspect of those centres. A great number of jobs at CGE and related industries could grow up around any development of robotics in this province and the development of the robotics CAD/CAM phenomenon surrounding Canadian General Electric, and that would occur in Peterborough.

Talking about CGE a little more, we can look at some of the electrification steps taken under the Board of Industrial Leadership and Development and the off-oil initiatives under BILD. To the extent CGE is a major supplier of some of that equipment—not all of it obviously—out of Peterborough, then that could well establish and create some jobs in that particular area.

There are a great number of things that could occur in the Peterborough area as a result of BILD funding—food processing, maybe something in the Peterborough area that is not there now. Looking at some other initiatives—

Mr. Cassidy: How many jobs do you expect to be creating in the food processing sector in general because of what is happening—

Hon. Mr. Grossman: That, with respect, is as practical a question as my saying to you, “How many jobs do you expect to disappear in food processing over the next 90 days?”

Quite obviously job creation is dependent on a number of factors and, with your background in particular, I know you are aware of that. I

know you are aware BILD is not a winter works program. BILD is not a matter of the government saying, “We are now going to take \$30 million and hire 3,000 people to work for four months on the government payroll doing some of our activities—

Mr. Cassidy: That is why I suggested we should deal with a winter works program in addition to BILD.

Hon. Mr. Grossman: I understand that argument. You have put it to the government and that is, with respect, an argument unrelated to BILD. BILD was not meant to be a winter works program. It is basically an investment in several sectors to secure long-term job growth for this province.

Obviously the numbers game will have you flitting around saying, “Well, how many jobs will BILD create in Tillsonburg, in Ingersoll, in Brockville, in Belleville, in North Bay, in Thunder Bay, in Sault Ste. Marie?” While I understand why you are doing it, it hardly addresses what BILD was all about.

If you want to suggest the province should not be investing a large amount of money in biotechnology; that we should not be building a microelectronics development centre, which I know you want badly for Ottawa; if you want to suggest we should not be improving the radial roads, that we should not be building an auto parts technical centre, I understand. I think you are dead wrong if you want to suggest that.

If you want to attack the BILD program then you should look at the specific projects and say to us: “Why are you doing this? Why not allocate money to a winter works program instead of allocating money to a microelectronics development centre?” Then we have a discussion we can handle in terms of present jobs for the next three months, as opposed to thousands of jobs over the next 10 years. I would be delighted to debate this.

Mr. Cooke: You have related that to the House. You keep pointing to BILD every time there is an unemployment statistic.

Hon. Mr. Grossman: We would be delighted to debate that with you, but the reverse side of that coin is to argue the winter works argument. “How many jobs are you going to create in the next 90 days, particularly in a municipality under BILD?” has two questions in it. If your question is, “Why are you doing BILD instead of doing something else?” then I think you are in the wrong bailiwick—

Mr. Cassidy: I would say, Mr. Minister—

Hon. Mr. Grossman: If you want to say, "Why don't you spend money in winter works?" put that proposition.

Mr. Cassidy: Mr. Minister, I pointed out Peterborough has had 6,000 unemployed in 1979 and 1980. It is not a short-term problem, but moreover, as you say now, the government does not have answers. It can only provide faith and hope and maybe CGE—which recently decided to shut down a major portion of its transformer production here in the city of Toronto—maybe CGE would come through, if we are lucky.

With respect to food processing, when we talked to your ministry we were told the BILD grants for food processing would involve maybe 20, maybe 50 jobs. Your colleague, the Treasurer of Ontario (Mr. F. S. Miller), indicates there may be 340 jobs across the province in five years. Those 340 jobs do not even put a dent into the situation in Peterborough if all that food processing was to be in the area of Peterborough.

I think the real problem is one of deceit. When the BILD program was announced back in the spring when an election was pending, a great deal was promised. Now it is clear those were empty promises. If the BILD program had just been put forward for what it is, as a useful set of initiatives in a number of areas in the province, not as something that could transform the economy of the province, then you would not be open to the criticism you are getting now.

11:30 a.m.

The BILD program was painted as something which could transform the economy of the province and turn the province into an industrial Utopia. That is clearly not going to happen because the BILD initiatives are simply not substantial enough in order to transform the very difficult situation we face in the province in the short and long term.

Perhaps the minister tell us what BILD will do for St. Thomas. It is a community where the workers at Ford are now threatened with the fact that next July, not only will they still be on short time, but they will have run out of any UIC entitlement with respect to the time they are not working in the plant. By that time, it may still be two weeks in every month.

Hon. Mr. Grossman: Let us just look at what you have said. You want to put the proposition that this government is saying we have nothing for Peterborough and we will just have to go on

hope and faith. The people in Peterborough, Mr. Biss, the mayor and certainly the local member, have all been down to see me.

Peterborough has mounted, as a result in part of some work they have done with our ministry, a very good and aggressive municipal promotion campaign. That has been done, admittedly, not with government money but certainly with government assistance and advice which in many cases is very important. I have indicated a couple of initiatives out of BILD which I think would have an important long-term impact on the community and the economy of Peterborough.

I think too, you neglect examples where the government has assisted Peterborough. You are well aware this government came in a large way a couple of years ago when Pioneer Chainsaw was involved. We got together with the federal government in making sure that option was open.

I think in the de Havilland situation the fact Peterborough did not end up getting the Dash-8 project does not mean this government is saying to Peterborough, just live on hope and faith. This government worked together with Peterborough to put the case forward as we did with two or three other municipalities. We indicated to the government of Canada we were willing to participate for any of the communities that wanted to get the Dash-8 project. If money was a factor, then we would be willing to participate, whether the ultimate decision was London, Hamilton, Downsview, as it was, or Peterborough.

I might say Peterborough made a splendid effort. It put together an excellent presentation and had the full support of this ministry in making that case to the federal government. Now Peterborough is like a lot of other communities. It obviously will rely in a short-term sense upon the existing infrastructure of industry—

Mr. Cassidy: Did London have the assistance of the ministry in making a case too?

Hon. Mr. Grossman: Yes, all the municipalities that got to the stage at which they were seriously considered had the full support of the ministry. Unlike some other levels of government, we do not say to any other government, "There is money in it if you go to one particular community but not if you go to another." That is not the case.

By virtue of its own community representation and efforts, Peterborough was able to put itself in the front line and on the short list for de Havilland. We played a role in helping them

work up the presentation, as we did with other municipalities. Many were not as aggressive as Peterborough.

I could go on with our list of ODC loans in Peterborough. You will find that boring, but I have the list and I have tabled in the House the number of—

Mr. Cassidy: I would rather cite the minister's own statistics in terms of plant establishments which I am sure had ODC assistance.

Hon. Mr. Grossman: The last time you checked my stats you found that out of 307 cases one of them had not increased as we said it would, but the other 306 seemed to stand up pretty well.

Mr. Cassidy: I am sorry, in terms of ODC?

Hon. Mr. Grossman: I was talking about the stats I tabled in the House. You sent your researchers out for months and months to find an error in the stuff we put out and you found there was one firm which had not grown.

Mr. Cassidy: Mr. Minister, we just established now, thanks to Mr. Girvin, that there was no effective monitoring taking place with respect to ODC loans and to job creation. So the promises made are promises which are good for you in public relations releases.

There is no means by which the minister can insist on those job figures being provided by the companies. If the companies are failing to meet the number of jobs they promised to create as a result of the ODC loans, there are no penalties imposed. You just simply shrug your shoulders and say: "Well, we missed that one. Let us hope for the best next time."

Anyway, it is just PR. That is the problem I have with your government. Before the election you were prepared to make all kinds of promises. In January, you said BILD would launch Ontario upon a massive industrial expansion program in creating jobs and reducing inflation. The minister's statement—that was Mr. Miller—said our principle economic goals are to ensure growth and high job creation.

That was surrounding BILD—not surrounding everything else, it was surrounding BILD. I quote, "Job creation is totally imperative in our economic policy." I quote, "that the resilience and diversity of Ontario's economy will continue to deliver strong job performance." I could cite you other communities, St. Thomas and Chatham, Thunder Bay, Cornwall; the situation is very similar in all those communities.

They have had massive job losses in major

industries. The BILD program offers little or nothing for those particular communities except the same kind of vague promises of hope and faith you are coming up with right now. What did you mean when you said, "Keep the promise"? It is clear you did not mean to keep promises as far as the government was concerned.

Frankly, that is why I feel angry about the way the BILD program was put forward. It was a deceitful program put forward to the people of the province. You said we are going to create jobs; we are going to put you back to work—

Mr. Hennessy: Do not break the table.

Mr. Cassidy: That is what happened. You should know, you have been on that platform up in Thunder Bay. Look at what has happened in the Canadian Car division of Hawker Siddeley right now. You have lost 90 per cent of the jobs at Canadian Car in the course of the last—

Mr. Chairman: I think we should restore some order.

Mr. Cassidy: It is a political forum.

Mr. Brandt: I know, but he is using it for nothing more than a political forum. If he wants to ask about the—

Mr. Cassidy: What is wrong with that? This minister does that all the time.

Mr. Brandt: I think there is something wrong with that. The member is trying for a campaign and this is not it.

Mr. Cassidy: It is time to deliver on some promises made back at election time. There are 300,000 people unemployed—

Mr. Chairman: Mr. Cassidy, I would appreciate it if you would kindly be quiet while the chairman is speaking.

Mr. Cassidy: Mr. Chairman, I am happy to bow to your authority.

Mr. Chairman: I think several gentlemen around the table have lost their cool somewhat.

Mr. Brandt: How long can you listen to that without losing your cool?

Hon. Mr. Grossman: Mr. Chairman, perhaps I may respond to that. I understand Mr. Cassidy has been very patient. He waited an hour and a half to bang his fist on the table and I know he has to do that before his next meeting. But I do want to try and deal with the specifics of my ministry and some of the things he has said in the last few minutes.

Mr. Cassidy said Mr. Girvin admitted there is no effective monitoring by ODC. I would say to

the honourable member that as he was trying to work himself up into this fit, perhaps he did not listen to what I thought was a very cogent and clear explanation given by Mr. Girvin with regard to the effective monitoring of ODC cases.

Mr. Girvin did say, if you were listening carefully, that it involved eight to 12 cases of the 600 cases per year and the number of outstanding loans are now over 2,000. In eight to 12 cases dealt with in the Provincial Auditor's report, he had noted some difficulty in monitoring.

11:40 a.m.

Mr. Girvin explained in some detail the problems in monitoring these firms. I would say to the honourable member that if the suggestion is being made that there is no effective monitoring of the Ontario Development Corporation generally, then you do not know, with respect, what is happening out there in the field. ODC has a very difficult job. I think they perform excellently out in the field, because they have to hand out public funds, obtain the proper agreements and then monitor them in a sensible way.

The rule of thumb and the experience is that there is no problem with monitoring. The firms report what is happening. They meet all their obligations in the vast majority of cases. Mr. Girvin's staff follows up on that monitoring, checks the reports as they come in and really, if you will check with some ODC recipients, they will report to you that they have an excellent relationship with our field staff. Our field staff work with them hand in hand as their particular developments go on.

As Mr. Girvin has pointed out quite succinctly, what happens in some cases is that if some firms get into some difficulty that is the precise point at which, for a variety of reasons, mostly not intentional, they begin to spend all of their time shoring up markets, cutting back staff, dealing with other financial institutions they may be involved with, trying to renegotiate some contracts and dealing with inventory problems. There is a whole host of things those people have to do. Quite predictably, one of the things they tend to let go in that sort of circumstance is reporting back to ODC some details of their business.

I do not happen to condone that; neither does Mr. Girvin. But from the standpoint of the government monitoring aspect of it, I know you and your colleagues quite properly would be the first to write me, saying: "You have a firm that is undergoing financial difficulties. They are trying their best to meet the demands of the market-

place. They are struggling to stay in business and what do they get but a long letter from the Ministry of Industry and Tourism, from ODC, or a visit from the field staff demanding all sorts of information about receivables, about the position of the company and so on."

I have to tell you something else. If ODC, acting on that information, were the first in there or the second or the third, beginning to turn the screws and protect the taxpayers' money in that circumstance—which they do do effectively, but they do it fairly and with an eye on the fact that it is a development corporation not a bank—then you too would be the first one to stand up and accuse us of being, in your terms, "No better than the banks." That is, when times get tough what do we do but send in a police force, crack down, begin to enforce the terms of our loan, require reams of monitoring and information and put the guy out of business?

Mr. Cassidy: Do you require—

Hon. Mr. Grossman: I gave you space to do your act, now you just let me respond.

Mr. Cassidy: You do yours.

Hon. Mr. Grossman: Well, I won't take my shoe off and rap the table. I will stick to facts.

I want to tell you I am very serious about the way ODC handles these matters. They have a tough job. Their job is to be fair to both the taxpayers whose money they are in charge of administering and to the firms they are trying to help develop—which is the key word in the title of the corporation; they are trying to develop and to work with those firms in a constructive way.

I have to tell you, it takes a certain amount of experience and ability out there in the field to assess where, when and how to handle a situation which requires monitoring when a firm is having a particular amount of trouble. I have to say it is a delicate situation, handled extraordinarily well.

I would say about the development corporations and their clients that if there is anything the development corporations' clients know, it is to pick up the phone, quite properly, and call their elected representatives of any party and let them know when ODC is acting in a way they find unsettling. The letters I get from your party and the calls I get from your party, the Liberal Party and my party are a pretty good indicator of the job ODC is doing out there through the field staff.

I have to tell you there are very few com-

plaints coming out of the field in terms of my staff—very few. Where there is one, it is attended to quickly and it is most often a simple misunderstanding. There are hardly any problems out there in the field.

I have to say I do not remember a time when members of the assembly have had the courage to stand up and say in public, “Why did not ODC get in and monitor this small firm in my riding that went out of business and defaulted on its ODC loan of \$110,000?”

I do not see opposition members standing up and criticizing; I have never heard it once. I have not heard anyone stand up and say ODC should have been on this case demanding security, demanding repayment, making sure we seize the accounts receivable or that we should have taken a guy's personal guarantee and secured his home.

Mr. Cassidy: Mr. Minister, you are answering a question I did not ask.

Hon. Mr. Grossman: With respect, I wrote it down as you put the proposition.

Mr. Cassidy: The question I asked was: What are the requirements in terms of monitoring job creation—

Hon. Mr. Grossman: Michael, I know you have an appointment soon and I know you had to wait while we dealt with the concerns of small business raised by Mr. O'Neil, but his concerns were as valid as yours and in fact did not involve rhetoric with regard to how many jobs BILD created in St. Thomas or Peterborough—

Mr. Cassidy: It is not rhetoric, it is a factual question.

Hon. Mr. Grossman: —or any other communities you visited. He was dealing with real, practical administrative problems and the concerns he had for his constituents.

Mr. Cassidy: Are those poor people in Peterborough not real, practical concerns as well? Or in St. Thomas or anywhere else?

Hon. Mr. Grossman: Mr. Chairman, perhaps in order for all members to have a say here, if Mr. Cassidy wants to make a speech for whatever time he has left here, I will allow him to do that.

Mr. Cooke: Just answer the question.

Hon. Mr. Grossman: I am answering it. You do not want some of these answers. If you want the answer, you are going to get it.

The fact is Mr. Cassidy alleged on the record that Mr. Girvin had just indicated there was in essence no effective monitoring. I have just

finished indicating what effective monitoring means. I want to say that any time anyone in the assembly wants to stand up and accuse ODC of not closely monitoring, staying right on top of any small business in his riding which ultimately ran into trouble, I want to be in the House when you do that because I have never heard that question.

In fact the question I hear in the House the odd time is why didn't ODC move to a position further down? Why didn't we add more money? Why didn't we do more for a firm or lay off a firm and let it sort out its problems? Those are legitimate concerns, concerns I raise with Mr. Girvin all the time, to make sure the balance between protecting the public investment and making sure firms get development money is struck. I want to make that very clear. I do not want any suggestion out here to go unanswered that ODC does not effectively monitor its client base.

Mr. Cassidy went on to get into all this stuff—

Mr. Stokes: I think you are being overly sensitive about it, because, with the greatest respect, the auditor did have something to say about the level of monitoring of a specific nature. I think you are really being overly sensitive about this. Somewhere in the middle is the truth.

Hon. Mr. Grossman: With respect, I will say that the auditor raised some questions which were valid questions to raise. Mr. Girvin gave a rather full explanation of that.

The reason I responded the way I did is that in my view it is not a situation somewhere in the middle. It is a situation which happens very unusually—eight to 12 cases out of some 2,000—and for the leader of your party to then go on and, having read the auditor's report, which I am sure he has, and having heard Mr. Girvin's response, conclude that in his opinion there is no effective monitoring—and I wrote down the words as he said them—

Mr. Cassidy: With respect to job creation.

Hon. Mr. Grossman: —I am not going to allow that to go on the record.

Mr. Cassidy: Mr. Chairman, on a point of order. I made it quite clear that I was talking about jobs and job creation and about claims made by this government with respect to job creation which proved to be empty.

With respect to the ODC, I heard Mr. Girvin indicate quite clearly that the ODC apparently does not have the right to insist on getting job information to substantiate the promises which

are made by companies and therefore the claims which are made so loudly and clearly at the time that ODC loans are announced.

That was the point I was speaking to, which the minister has managed to completely avoid.

Hon. Mr. Grossman: I do not want to avoid it. Let me say that Mr. Girvin dealt with the job aspect specifically. If you want to defer your luncheon to have Mr. Girvin repeat that about the jobs, I will be delighted to allow him to do that.

But first, a word from my sponsor. Mr. Cassidy suggests that BILD held out the promise of transforming the economy. That is precisely right and that is precisely why I draw the distinction between your type of situation, which is how many jobs are you going to create between now and new year's eve in Peterborough—which does not transform the economy; those winter works things do not transform the economy.

11:50 a.m.

Mr. Cassidy: With respect, Mr. Minister, 6,000 men were employed two years ago. What is going to happen to them? Will it mean 6,000 unemployed in 1985?

Hon. Mr. Grossman: Mr. Chairman, I can only repeat my—

Mr. Chairman: I would appreciate it if you would give the minister ample time to answer the question as he sees fit.

Mr. Cassidy: I wish he would stop distorting the question, Mr. Chairman.

Mr. Chairman: If you are not pleased with the answer you receive, you may then ask a further question to clarify the matter, but please try not to interrupt the minister while he is answering.

Hon. Mr. Grossman: Mr. Cassidy, I would point out that BILD was never intended to be a strategy to create jobs in the next three weeks for a given municipality. It is the kind of thing you acknowledged we said it was, namely something which will transform the economy.

My economic background, limited as it is, indicates that transformation of the economy takes a period of years. It is not done overnight. It is not done by spending one's money chiefly in the winter works type of programs. It is something which takes the courage of government to invest in in the longer term.

In that sense you can look through the major BILD initiatives and find out they are indeed investments put in place to create jobs and to transform the economy. In the case of my

ministry—which is the part of BILD I am going to deal with in these estimates, not the other parts—it is meant to lay the groundwork for research and development and the kind of high-tech initiatives this province is going to need in order to make sure there are jobs in Peterborough and St. Thomas, down the road and through all of this decade.

It is also alleged that the promises were not kept with regard to BILD. I will deal with those items under BILD for which my ministry is the lead ministry and we can decide whether the promise has been kept.

The biotechnology company is one of the major keystone projects of BILD. The land has been acquired and construction is now under way. Allelix Corporation is in place. One hundred jobs will be created in high-technology, state-of-the-art work in biotechnology. That promise has been kept.

Secondly, there is the Ontario Research Foundation expansion to deal with the important research and development work, on a contract basis, for mainly the small and medium-sized firms in this province. ORF is an institution which I know all members support. BILD promised moneys to finance an extension to that facility in the Ellis engineering wing, at a total cost of \$2.7 million, of which \$1.6 million was supported by the BILD program as promised.

Thirdly, BILD promised to create a high-tech equity fund. The moneys were transferred some months ago to the Ontario development corporations to provide \$50 million, over five years, to Canadian-owned companies in the high-tech area, to provide bridge financing and to start up an early development funding. So that promise has been kept. The moneys have been funded to ODC. There are a great number of applications in under that heading and six have been approved to date.

Associated with those six companies is \$2.4 million in private sector investment. The new jobs this year alone will be 293 and are estimated, after year five, at 2,237. Has the high tech equity fund promise of BILD been kept? Yes, it has. It is in place and operating.

BILD went on to talk about the area of export finance, administered again through the Ontario development corporations. The BILD document said that \$15 million would be provided in 1981-82, in addition to the ODC fund, and a further \$10 million is to be provided in 1983-84 to fund its revolving lines of credit—\$25 million over two years is the BILD commitment. That

money is in place and, as I indicated earlier, ODC now has a dramatically increased capacity in the area of export financing. Has that BILD initiative been met? Yes, it has.

BILD also talked about the international interns program, where we would pay half the cost of a salary of a graduate, to \$15,000 per intern, for export experience abroad. That money has been transferred to our ministry and we now have 30 or 40 international interns approved. Has that promise of BILD been met? Yes, that has been implemented.

Community development corporations are another initiative under BILD. We now have one going in Sharbot Lake, another one in west Nipissing, each funded at \$100,000 per year for three years, which is bringing much-needed local development flexibility to those two municipalities. That was promised under BILD and that is in place.

BILD promised tourism upgrading, a two-year funding to finance the improvements recommended by Tourism Ontario under the grading program. That was announced by me several months ago. The money is in place and applications are in. That \$5.5 million is in place and is being spent right now on the tourism sector. That BILD promise has been implemented.

BILD promised increased assistance for tourism marketing. That money has been transferred to our ministry—\$10 million over five years, \$2 million each year—to boost tourism by an advertising campaign in the US market. That was done, the money was spent. The tourism supplement was in 11 newspapers in the border cities last June and will be again in 1982. That BILD promise has been met.

BILD has other initiatives relating to this ministry. The funding for the Ottawa convention centre and the Toronto convention centre, which came out of BILD, has been transferred.

BILD offered a tourism redevelopment incentive program extension on guarantees of low-interest loan subsidies. That money has been transferred and TRIP has now been extended to 1984, as promised under BILD.

In food processing, a promise under BILD of \$20 million for five years, there have now been eight food-processing cases approved under that initiative. That promise has been kept.

BILD further provided the funding which the NDP member for Downsview (Mr. Di Santo) requested for support for de Havilland in Downsview. Those moneys—\$9.8 million—have been transferred to allow the early purchase of Dash-8 aircraft.

Further, we will shortly be announcing the details of the microelectronic centre, the robotics centre, an initiative in Sudbury with regard to resource machinery and the auto parts technical centre. Within a month we will have all of those details in place. Those will call down about \$100 million in further BILD funds, all as promised in the BILD document, and all in place.

Before completing this list of Ministry of Industry and Tourism-related BILD promises which have been implemented in the 10 months to date, I should add there are initiatives in skills training through the training in business and industry program, TIBI. The moneys have been transferred and there are people receiving training already under that program. The money has been transferred to the Ministry of Colleges and Universities to get that under way.

As well, there are substantial transfers of moneys to that same ministry to allow universities to acquire equipment which will allow them to do industry-related research and development. That money is in place. Community colleges and Ryerson have also received substantial assistance through the BILD program as promised to assist in those jobs.

I have not dealt with some other things that were promised in BILD—marina development, money in place in Sarnia, money in place in Orillia. The King Mountain project will get under way shortly and the Collingwood servicing is under way. They are in the ground and a lot of that money has been transferred. The radial roads project is also under way. All of those things relate in one way or another to the success of this ministry and what it wants to do.

All in all, Mr. Chairman, I have to say that given the amount of projects that BILD has, I can report for this ministry, which is all I am here to speak for, that almost all of the BILD initiatives for which this ministry is the lead ministry have not only been put in place, but when we complete the announcements of the high-tech centres, we will have transferred the funds and been under way on each and every BILD project for which Industry and Tourism is the lead ministry. I would invite any person who suggests that BILD was just a promise which was not fulfilled with regard to this ministry, to state a specific case of an Industry and Tourism project under the BILD program which has not been carried through as promised.

Finally, I would add that the Telidon project—which will be an \$11 million project, \$5 million out of BILD, will provide a major

degree of assistance to the Ottawa area, in particular, in the high-tech communication industry in this province—has also been funded out of BILD even though it was not named in the document. This, again, is a project of this ministry which is in place and will be one of the major successes of BILD.

12 noon

If I have neglected any of the Industry and Tourism-related initiatives promised by BILD and if there are any BILD promises relating to this ministry which have not been fulfilled to date, I would be delighted to hear about them. I am open to any specifics which allege that the BILD promise has not been met with regard to Industry and Tourism.

Mr. Cassidy: Mr. Chairman, I would like to respond to that. I said earlier, and I am quite prepared to repeat it, that the specific initiatives which have been put together are useful initiatives. I am not disputing that. One might quibble about one or two of the specifics and one could certainly see rather overt and unreasonable political motivation in some of the announcements which were folded into the BILD program, but in general there are a number of useful initiatives there.

Hon. Mr. Grossman: Thank you.

Mr. Cassidy: The problem has been that the whole that was promised was a great deal greater than the sum of the parts, which the minister has just enunciated. The promise—I will read it again: “The BILD announcements will launch Ontario upon a massive industrial expansion program.”

The minister says it is going to transform the economy, not in the short term, but over the long term, but that is not happening. To the contrary, right now we are being transformed by deindustrialization. The auto industry, the appliance industry, the aircraft industry and the farm machinery industry are all suffering massive layoffs and shutdowns. That is what is happening instead of the massive industrial change promised for our province.

The Treasurer, speaking on behalf of all of the BILD ministers, stated that, “Our principal economic goals were to ensure growth and high job creation.” BILD, it is clear, is not doing that, neither can it say it will be doing that in the future because the numbers of jobs you are talking about, Mr. Minister, amount to several thousand over the next several years.

However, the forecasts which are being made by the federal government indicate that unem-

ployment in this province will rise—and the Treasurer believes that now, too—in 1982, in 1983 and may well rise in 1984 above the current levels. We could have more than 400,000 unemployed if some of the more pessimistic scenarios painted by the federal government actually come to pass.

Given the fact that the manufacturing industry has been orphaned by the feds in their budget and that there is no particular—

Hon. Mr. Grossman: We agree on something.

Mr. Cassidy: Sure. I am prepared to knock Liberals. I just knock Tories as well.

Hon. Mr. Grossman: Not as well.

Mr. Cassidy: Yes.

Hon. Mr. Grossman: No, not as well.

Mr. Cassidy: You both do it badly.

Hon. Mr. Grossman: In addition, you mean.

Mr. Cassidy: You both do just as badly.

Interjections.

Mr. Cassidy: But the fact is we have ahead of us massive creation of greater unemployment in the province, with as many as 400,000 people unemployed in just three or four years. That is what is happening. The promise of a transformation of the economy was painted as meaning very substantial job creation and priority for job creation, which meant that people who did not have jobs would have them.

That is the promise which has been broken and that is the promise which it now appears you have no intention of fulfilling. That is why I believe that with BILD, the Ontario government of the Conservative Party was deceiving people across the province. The fact that the ministry, in 10 months, has made significant progress in doing the specific things that were there, simply speaks to the specifics in BILD not adding up to what was claimed for the BILD program.

If the overall goals of transforming the economy and of massive industrial expansion could have been reached with the BILD program, I would still ask myself, where the devil was your government two, five or 10 years ago if it was possible to have transformed the economy of this province and made it fit to meet the challenges of the 1980s by the mere expenditure of one per cent of the provincial budget per annum? If BILD is as effective as you claim, what blindness prevented the government from undertaking that five, 10 or 20 years ago?

Hon. Mr. Grossman: You refer to deindustrialization and the loss of manufacturing jobs. In fact, without getting into the statistics game,

which we could sit with here for a long time, you know that this year to date we have over 100,000 more people with jobs than last year. You also know that there are about 50,000 net new manufacturing jobs in Ontario, year over year, which outperforms every other jurisdiction you can name. I mean that seriously.

You talk about the pessimistic outlook for next year and it is frightening to look at the next few months. You have outlined some of the real problems. The federal budget has made it worse and there is no light at the end of the tunnel in the form of federal policy that can aid that. In fairness, I think you will agree, at least in part, that the major solutions to the problems which have caused this current recession are international, and national, at the very best.

You cited the problems with the aerospace industry and consumer durables. I, and I think I can say the Treasurer too, would be interested to hear any realistic ideas for solving to these problems, in the short term, within the bounds of this province—even the Massey-Ferguson problem with the combines. Are you really going to be able to grapple with the heart and core of the problems with automotive sales within the bounds of this province?

Mr. Cassidy: If we were the government today we would face the legacy of problems created by your government and the federal government over many years. The root of those problems should have been found and should have been solved years ago. It is especially difficult to do it now.

But you have been in charge all of that time. You have been there while the problems were created. You have presided over the problems and now you throw up your hands and say you cannot solve them.

Hon. Mr. Grossman: Of course, if you were in office none of these problems would be in place. We all know that unemployment is unheard of in Saskatchewan and that they have no problems whatsoever. We know they have been able to reform that economy so dramatically they have no economic problems, and that they are not at all affected by international market situations or high interest rates. Would I be right in saying that?

Mr. Cooke: You admitted in your opening statement that some of the structural problems have developed over the last 40 years.

Hon. Mr. Grossman: Mr. Cooke, there is no question about that. We have tried to be practical and sensible in dealing with those

problems and to be honest about it. I have sat through these estimates for several years and I go to the House most days. I hear the rhetoric that says if the NDP had been in place, you would have had a wholly different economy.

But the problems happen to be rather similar—high interest rates, international markets—whether you are in Saskatchewan, or in Quebec, which had a modestly left-leaning government the last time I looked. You can talk about figures. You can talk about how much better our economy would be if only you had been in office.

There is no point in using these estimates to get into a political rhetoric. However, I must say I really cannot hear the answer to the question.

To be fair, I am not here to pose questions about what a province can do within its boundaries—indeed what any party could have done over the past 20 or 30 years that would have made sure there would not be layoffs today at McDonnell Douglas. The aerospace industry throughout the world is being affected by international economic conditions. I do not see what could have been done within the bounds of this province to make sure that our aerospace industry would continue to grow when aircraft orders all over the world are being cancelled at the present time.

I do not know what policies could have been put in place in this province that would have made sure that refrigerators, stoves and dishwashers made in this province would continue to sell in world markets, when the refrigerators, stoves and dishwashers made throughout the world are not selling.

We are not averse to accepting good ideas, but I must say it is easy to criticize and refer to lost jobs and layoffs in the consumer durables industry, the aerospace industry and the auto industry. That is a situation which is a constant throughout North America and the western industrialized democracies.

12:10 p.m.

With respect, I do not suggest you would run economies in social democratic countries the same way, but I would produce that as a guidepost. The fact is that in those countries in Europe which have been presided over by social democratic governments, using nationalization and all of the tools you urge us to use, very few, if any, are competitive with Ontario in employment and restructuring. They have not radically transformed their economy because they are subject to possibly different inhibitions but, generally speaking, the same type of international imperatives and realities that we face.

Mr. Cassidy: The minister will agree that they have run unemployment rates over the last 25 years which have been very substantially lower than those in Ontario.

Hon. Mr. Grossman: It is terrific what you can do with work forces which you can send back to their home countries when times get tight. We could get into that whole overseas question. But you would also acknowledge that those countries are facing very severe stresses at the present time. Deindustrialization, which is well known in the Toronto Globe and Mail, is equally well known and raises fear in France and Sweden, and in all of the countries of Europe that have had different forms of government from time to time, including governments which have been radically left.

The constant factor is those European economies have been substantially affected by American high interest rates. They have been halted in their attempts to rebuild and have been slowed down in their attempts to get into high technology and keep the momentum going. They have not stopped, but they have been affected to a measure. The same kind of questions raised here about deindustrialization and manufacturing jobs are being raised all over the western industrial world, regardless of government or political stripe.

We each do our best to grapple with the situation as we find it in our own jurisdiction. I can only add that I would be delighted to hear the kinds of things you would suggest that we do which would help us sell refrigerators, dishwashers, Fords, Chryslers and parts for aircraft, when no other jurisdiction, no matter where its government is in the political spectrum, has succeeded in finding markets for those goods in the present international recession.

I am not washing my hands of those problems and, to be fair, I think people can disagree. I let your earlier remarks about public relations go unanswered. However—and I speak for my ministry staff as well—I understand and accept that there are alternative ways to accomplish some things. We are very dedicated to the tasks of understanding the problems, of being honest about the problems and working out some solutions. We are not Pollyannas. We try to be very sensitive to what is happening and to understand the situation.

You may have radically different solutions for some of these problems. You may think we have not gone far enough, that we should get into state ownership and so on. We are here to listen to those kinds of things. I have come to

estimates, every year, delighted to hear some alternatives. Some people acknowledged earlier that we have listened to some suggestions and I, too, acknowledge that. If people can present us with new and different solutions to some of these international problems, problems that West Germany and France have not been able to solve, I would be delighted to look at them.

I do not think many people can accuse this ministry of not being aware of the problems, of not working at them and trying to solve them. It is only honest to say we have not succeeded in solving all of the problems; I would be the first to acknowledge that. Creative solutions are being sought by minds much brighter than mine in other countries and in national governments, but such solutions are few and far between. However, we are all grappling with the problems and are anxious to hear the solutions.

Mr. Cassidy: Perhaps, Mr. Minister, what you and what the political direction of the government suffers is what one might call selective amnesia. The things you are saying now were certainly not said by the government or by the Conservative Party over the course of the election campaign. Neither were they said at the time of the announcement of the BILD program. That is why you stand accused of hypocrisy.

At election time you are prepared to bring in mini-budgets which will create jobs over the winter. A year later, when there is no election impending, the government is not prepared to do exactly the same thing when conditions cry out for even more than was done last year.

Ten months ago, prior to the election campaign, the BILD proposals were pulled together and were released with a fanfare which certainly had relevance to the impending election. Much was promised, much more than is being delivered or will be delivered. The effort was made to pretend to the people in the province that Ontario could somehow be exempted from all of the things you are not prepared to discuss because an election is not nigh.

The effort was made at that time to suggest that with BILD, with a few dollars, with a few modest changes in the free-enterprise ideology of the party you happen to represent, it would be possible to undo a lot of the problems that have been allowed to compound in this province's economy over many years. I will send you a copy of my speeches from the election campaign if you want and some of the policy papers.

I do not intend to take up the time now. Our critic, my colleague the member for Windsor-Riverside (Mr. Cooke), has already made a number of concrete proposals in the course of his leadoff on these estimates. If you want one specific point where we are suffering in particular in the province, it is the fact that the workers of Ontario are in double jeopardy.

They are in double jeopardy because they are affected, as are workers in other jurisdictions, by the energy crunch, the high interest rates, the problems of deindustrialization and some of the problems of meeting the demands for social and community services on the basis of a world economy or a western economy no longer expanding at the rates that prevailed up to the middle of the 1970s.

The double jeopardy comes because of the degree of foreign ownership and foreign control of the economy of this province, something which not only has this ministry and this government failed to effectively attack, but has in fact condoned. I am not sure if it was your ministry or some other part of the government that was talking to the Toronto Area Industrial Development Board, the development commission which has been set up, suggesting that Metropolitan Toronto should encourage foreign bank branches to come into Toronto and that it should go out and hustle some more multinational companies to set up branch plants.

That seemed to be the be-all and the end-all of the strategy; more of the same and therefore more of a dependence on foreign multinational corporations that have proved, as one might expect when times are really tough, more willing to chop foreign branch plants and foreign operations than they are prepared to chop when they are at home. So in the situation, it is clearly difficult to make a change and the parts deficit in the auto sector right now and the automobile industry as a whole is going through extremely difficult conditions in North America.

The double jeopardy in which our parts workers have been put is something which is a creation of government, in particular this government, over many years. Now, when the crunch comes, the workers take it and they take it in the neck in spades. These are the kinds of circumstances we find ourselves in. I just think that to acknowledge what is happening and say, "These are the serious problems we face and everyone is looking at it seriously at this time," and then to go out in the election campaigns in

1981 or 1985 and say, "Utopia is here, just give us your vote once again; we will keep the promise," is hypocritical.

Hon. Mr. Grossman: I would like to respond before we finish the session here. I do not know where the honourable member was during the campaign, but I did discuss some of the structural problems in the economy. They were raised quite properly, not only in my riding but in the other ridings I went to. In fact, we did discuss some of the difficult adjustments that are going to have to be made.

It is interesting to note that we did not go around and say there would be 30,000 more jobs in the fall of 1981 if you elect the government. In the speeches I was giving, certainly, and I know in the speeches my colleagues were giving, by and large the major things we were talking about were the kinds of things I have referred to earlier here, the research and development initiatives, the high-tech centres and so on.

We can all interpret the election results as we want but clearly there was some attractiveness to the BILD program and I would suggest it is interesting to note the BILD program was in fact oriented down the road to making investments now for the future. I would not have thought that during an election campaign people would relate to or understand or perhaps even be willing to go with a \$30 million investment in a biotechnology company.

12:20 p.m.

I hardly understand all the implications of biotechnology. A microelectronics development centre, well, people in your area would understand a lot more about that, but I must tell you that as I travelled the province I found the people in very many rural communities in southwestern Ontario had difficulty, as did I, in grasping all of the implications of the microelectronics age, but they were assured and delighted to know that this government was willing to make that kind of investment in something called microelectronics and in biotechnology for the future of this province.

The public understood that it was the time not for short-term fixes but the time for some long-term investments to be made with today's tax dollars to create jobs for tomorrow. It will be very fair for you and others to assess whether we have picked the right ones to back and whether the investments we have made in the longer term prove to be the right ones over the next few years, very fair. But to suggest that BILD was set up promising that there would be a great

number of new jobs four or five months after the election, when in fact BILD was a long-term strategy to rebuild and restructure, is not quite fair.

I would say this about foreign ownership. I am glad you raised the point because the *Globe* and *Mail* reported only a portion of my remarks—and they were my remarks—to the Metro Toronto subcommittee on economic development. I was very careful about the words I selected because I was worried about the kind of excerpts that ultimately were given, in spite of the caution I tried to show.

They asked me what Metro Toronto could do that it had not done and I pointed out that most of the growth in every municipality comes from existing firms that grow and expand, that Metro had to deal with the problem of firms deciding, when it came time to expand, to move outside Metropolitan Toronto. That is from Metro's standpoint, and they had to deal with the question of getting existing firms to grow and expand.

A great number of foreign-owned firms carry on business in Metro Toronto. Metro is well known as a great place internationally and one of the problems is that the decision-makers of foreign-owned firms do not come to Canada often enough, sometimes never, and they do not have an appreciation of the kind of manufacturing base we have here, the skilled labour force, the lifestyle we offer here.

I simply said to the people at Metro that in terms of the Canadian-owned part of the business community, which was far the most important part of the growing side of their business, they obviously were living here and knew about the advantages of Metropolitan Toronto. However, I said to them the foreign-owned portion was also a very important part of their infrastructure here in Metro.

If they were asking me what they should be doing that they were not currently doing, I said that since the Canadian decision-makers for the Canadian-owned firms already know about Toronto, but many of the foreign decision-makers with branch plants here do not know about the advantages of carrying on business in Toronto and staying in Toronto, one of the things they ought to be doing was making sure the corporate executive officers, the boards of directors of those firms, were invited to hold their annual meetings here in Toronto so they could see our city and our province first hand.

If they were looking at a decision to close off a branch plant, that would play a role in turning

their views around. Let them see first hand this is a pretty good place to do business and that maybe they ought to look into this more deeply before automatically closing off that operation; maybe they could restructure it. Getting them here to find out about us on a firsthand basis was a very important part of keeping that employment here and hopefully getting some of it to grow and expand.

But it was not a single-minded strategy. You used those words and I understand why, because that is all the papers reported. With respect, I did not say that was the solution. I said that if you are going to look at all sectors of your economy, you have to make sure all of the existing components stay and grow and one of the ways to make sure that foreign-owned components stayed and grew was to adopt that strategy.

I further went on to get into the global product mandating option for some firms. I know some people in your party disagree with that option, but I think it is an important option to make the best of foreign ownership, given its presence.

I would also just quickly say this about foreign ownership. I would hope you would agree that while we have not gone as far as you have advocated and your party has advocated, governments ought to think in terms of foreign ownership. We do not go around buying up things willy-nilly.

The fact is that this ministry, in particular, has taken some important initiatives to break that syndrome. While we have not stopped seeking the right kind of foreign ownership and neither have we felt that is the single-minded strategy or even the key part of the strategy for Ontario, there is one thing I would like to think about in terms of my time here and that is a new emphasis on the importance of Canadian-owned firms and building Canadian ownership in Canadian-controlled sectors.

If you look over the amount of assistance provided by Ontario Development Corporation, almost all of those firms are Canadian owned. I look at the procurement initiative taken by this ministry which has turned around an astonishing number of cases to the purchase of Canadian sources from what otherwise would have gone to international sources. I look at the health care import replacement policy which is the first major import replacement policy that has resulted in good growth of small Canadian-owned firms in this province. The results are being audited and they are quite clear in terms

of the initiatives this ministry has taken in the import-replacement area to make sure that Canadian-owned firms grow and expand; it is estimated at this stage we have replaced \$80 million in one calendar year of imports with products made in this country.

The high-tech equity fund for Canadian-owned high-tech firms is \$50 million, not a small investment which will be made through ODC. The ODC buy-back program, which you know has been used in about 10 cases, was set up over the last couple of years in order to position us to deal with those cases where American firms are withdrawing and to make sure employees and investors have an opportunity to buy those firms before they go.

The educational microcomputer initiative we have taken. You have just interjected and said the ODC buy-back is a response to crisis. I must say that in some of those cases it has not been at the crisis stage, but it has been at the stage at which the foreign firm begins to look at some options. The reason we put the policy out there was to let employees and investors know that if necessary we would step up to the table to keep a good, viable operation in business.

In contrast to what you might refer to as a crisis response, we got into the educational microcomputer business, as you know. I know you support that program strongly. We saw an opportunity coming for Canadian-owned firms, we saw the technology in place, but it was not assembled; there was no linkage between the computers being bought and the specs being put out by the Ministry of Education and the Canadian Advanced Technology Association members. We worked with Education and got the specs drawn up in advance, so they could be made available to the Canadian-owned, high-tech industry. In turn they could come together and create a partnership which would be able to construct a microcomputer meeting the specs of the Ministry of Education.

That has not cost my ministry any money, but I think it is one of the very major initiatives we have mounted in this ministry to forward plan and to make sure that Canadian-owned firms capture a major share of a major and growing Canadian market.

There is a longer list which I could continue with, but all in all, I understand you will always want us to go further in the area of foreign ownership. I would have to say, and I hope you would agree, that there have been some very significant initiatives mounted through this ministry over the last couple of years in the area

of breaking away from the foreign branch-plant syndrome and in spending a great deal of time, effort and money on building the Canadian-owned sector of our economy.

Mr. Cassidy: I just have one further question.

Mr. Chairman: I would like to move on so other committee members may have an opportunity to ask some questions. I understand Mr. Sheppard has a short question. He is next on the list. He will not be here this evening.

Mr. Cassidy: I have no further speeches to make, having been accused of making them. I just want to ask the minister: is it correct he will be making the announcement next week about the microelectronic centre for Ottawa?

Hon. Mr. Grossman: That decision has not been made.

Mr. Cassidy: It has not been made? Frankly the delays do not speak well. The announcement in principle could and should have been made as early as last May or June. The way this thing has dragged on is not helpful at all in the development of the industry, because major decisions by the industry in Ottawa have had to be deferred now by six months or more. With the basic change in the industry, that has put those companies in very difficult situations.

Hon. Mr. Grossman: I understand your criticism of delays. I think the ultimate centres we do build will speak well of the delays. There have been delays simply because we have been working very hard to get exactly the right combination of people, equipment and private sector support to make sure they work.

It is difficult for me to explain why the decision I thought would be made the middle of November is now into the middle of December. It would be more comfortable for me to solve that political problem right now by pushing for a decision and saying: "I want a decision next Monday. I don't give a damn what is in it."

These things are going to be there long after my political career is finished, so I want to make sure they are right and work well. I am willing to put up with any short-term discomfort in order to make sure that what ultimately goes in there is absolutely right.

The industry has been working closely with us. I cannot accept the proposition that major decisions have been delayed. The industry has a pretty good idea of what we have in mind and can shape its decisions based upon a continuing dialogue we have had with them.

Mr. Chairman: Mr. Sheppard, do you have a brief question?

Mr. Sheppard: Yes. First, Mr. Minister, I would like to congratulate your ministry for helping Port Hope after its disastrous flood a year or so ago. I see a number of loans and guarantees here in the folder.

We have an industrial park at Cobourg and we have lost a couple of industries from the town of Cobourg. I understand that in the near future the town of Port Hope, the town of Cobourg, Hope township and Hamilton township are going to hire a commissioner. You have a manager looking after the industrial park in Cobourg. I would hope they would work very closely together. I would like to ask if your manager there has had any input into bringing in new industry into Cobourg or whether he has contacted your people in Toronto.

The reason I ask is that to the east, next to my riding, is Hastings county which has DREE. It is pretty darned hard to explain to a couple of brothers-in-law, one living in Northumberland and one living in Hastings, that one is eligible for the DREE program and the other one is not. I am just wondering if you have anything in the back of your mind for any new industry coming to Northumberland.

Hon. Mr. Grossman: The DREE problem is one that is an ongoing problem. As you know, the Treasurer has the lead on DREE agreements and the province has not been able to move the feds off their somewhat artificial delineations of DREE areas.

We have been working closely with your people in that area. The manager of the Cobourg industrial park has met with our

people. I think he will report to you that he is satisfied we are working hard with him, with officials of Cobourg in particular and with you, I might add, thanks to your various inquiries, to see what we can do in terms of helping further your efforts to attract industry.

The approach that has been taken is exactly the right approach, and I should say you are one of those who has led that approach; namely, to try to be a little more specific in the kinds of industries that will fit into various parts of your area. The step that has been taken to hire an industrial commissioner will put us in the position to shape the kinds of targets we seek for the various communities in your area.

Given the location of those two communities you mentioned, Cobourg and Port Hope, and given the fact particularly of the microelectronics industry developing and expanding through all of eastern Ontario right down to the Toronto area, I would be fairly hopeful we will be able to work with your people and you to try to find something that will suit uniquely the needs of Cobourg and Port Hope. The aggressive way in which their councils, their officials and you have been pursuing that will ultimately prove to be very successful. It is a long-term investment, but I am rather optimistic.

Mr. Sheppard: I hope so.

Mr. Chairman: We have exactly two hours left in the estimates. We will continue from 8 p.m. to 10 p.m.

The committee recessed at 12:33 p.m.

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Ontario

LEGISLATIVE ASSEMBLY

No. I-13

Legislature of Ontario Debates

Official Report (Hansard)

Standing Committee on Regulations and Other Statutory Instruments

Estimates, Ministry of Industry and Tourism

JAN 10

First Session, Thirty-Second Parliament

Thursday, December 10, 1981

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Thursday, December 10, 1981

The committee resumed at 8:05 p.m. in committee room No. 1.

ESTIMATES, MINISTRY OF INDUSTRY AND TOURISM (concluded)

Mr. Chairman: We have a quorum and we may as well start. We have exactly two hours left in these estimates. The order of questioning I have from this morning is Mr. Watson, Mr. Haggerty, Mr. Stokes, Mr. Cunningham, Mr. Barlow, Mr. Pollock and Mr. Cooke. We will fit Mr. Cooke in somewhere between Mr. Barlow and Mr. Pollock.

Mr. Cunningham: Before we start, would the minister be in a position to respond with regard to tabling the information I requested privately on advertising expenditures in total for this last year?

Hon. Mr. Grossman: I think you asked for the ministry totals and the lotteries. The lottery is \$7,371,700 and the total advertising budget for the ministry was \$4,064,107.

Mr. Watson: Mr. Chairman, I would like to have a discussion that particularly pertains to Chatham. We have a situation I know you are aware of. Depending on whose figures you want to use for industrial layoffs, one figure quoted is 29 per cent unemployment. The chamber of commerce is promoting the figure of 20 per cent unemployment and I think Statistics Canada is rating us as having 13 per cent unemployment. The automotive industries are not in booming times at present, and I do not want to get into an argument about what the figures are.

I am wondering what your ministry can do or what plans it might have for the Chatham area. We are highly dependent on the automotive field industry. Our main employer is International Harvester. My understanding is that they will have an extra eight days off at Christmas this year over what they normally have and they are planning to go back on January 4. I wonder if you have any general comments or maybe something specific about International Harvester. We know they are having some problems on an

international basis, but do you have any information on that?

Hon. Mr. Grossman: To begin with International Harvester, you have described the current layoff situation accurately and the intended recall dates. At the present time we hope they will meet those dates. Harvester, like Massey-Ferguson, as you know, is going through very difficult times, both here and internationally. Harvester has been able to get by with some substantial bank refinancing and other creditor assistance.

At the present time I guess the situation with Harvester and the other companies is that if interest rates continue to go down, it looks as though there is sufficient pent-up demand and resources to permit a fairly substantial purchase of that kind of equipment in the next calendar year. That will depend on a number of things.

First, it will depend on how deep the American recession is, and the jury is largely out on that. I have heard various views from very senior American sources which would indicate that the American recession may be deeper and last longer than some people predict. Others would point to the moderating interest rates, to the fact that American rates have dropped very quickly and very substantially and that up to and including this afternoon the Canadian rates continue to drop, and that should help the situation fairly dramatically.

8:10 p.m.

The situation with Harvester is exactly that, and everyone is waiting to see how fast the market comes back. I think it is interesting to note that the creditors of Harvester, as was the case with Massey, were willing to come to the assistance of the company. Creditors usually will not do that unless they believe they are going to end up getting their money out and that there is a good reason for making some concessions.

They did that in the case of Harvester because of their market share, because of the quality of the equipment made and because they believe it is a temporary, but serious, downswing in the

market. Therefore, I think it is an important sign that Harvester, without government financing or assistance, has been able to get concessions from their bankers and creditors to stay in business. That would be an important sign for us, an important indicator that Harvester does have a fairly solid future, that it is purely a market phenomenon, and that when the market picks up, as I still say it will next year, 1982, the recalls will start going out in large numbers.

In the case of Chatham, the auto tech centre, of course, is still under consideration by the government. Chatham, I might say, came in with an excellent presentation. I should put on the record that a delegation was brought in, led by Mr. Watson, and was one of the first groups in after we got back into business here in April or May. They came in with a good, early presentation and a subsequent bolstering up of that presentation when they learned more about some of the details of the centre as our work continued down the road.

Mr. Stokes: What is holding up the decision?

Hon. Mr. Grossman: I will be pleased to cover that again if it is desired.

Mr. Cooke: You did not really cover it this morning. Are you waiting until the House adjourns?

Hon. Mr. Grossman: I will be delighted to cover again the decision on the auto parts technical centre.

Mr. Stokes: Forget it. I will read it.

Hon. Mr. Grossman: I think it is probably important that I put it on the record again, now that you have asked, because I know you did not interject just to be smart. You really wanted the information, so I will provide it for you. You might find it useful when you go home to Windsor.

Mr. Cooke: Tell us you are giving it to Chatham. They need something there. This is the first time the member has spoken out since the election about the problems Chatham has. Just tell us it is going to Chatham. They need it.

Mr. Watson: Mr. Chairman, at least I speak for my constituents instead of writing letters to the paper all the time. At least I have your answer.

Hon. Mr. Grossman: Are you finished, Mr. Cooke?

Mr. Brandt: Having covered parts of rhetoric,

we can now get on to more substantive issues of the day, which is where we are going to move with the industry of Ontario—

Mr. Cooke: Is this the nonpartisan member from Sarnia?

Mr. Brandt: —with the economy of this important province. I think we should listen to what the minister has to say.

Mr. Martel: Yes. You have been dealing with the economy of this province. You might try reading the select committee reports—all 21 of them.

Hon. Mr. Grossman: As I was saying, Mr. Chairman, the first municipality, including all of the centres, to come to see us was the municipality of Chatham. The first member to contact us and bring in a delegation was the member for Chatham.

It was a well thought-out presentation which has caused us to review in depth the auto parts technical centre concept in light of what came in from Chatham and other municipalities. Indeed, I have made the conscious decision that, because of the extremely large amount of input we had from the Automotive Parts Manufacturers' Association, all of the municipalities involved—and there were many—and some community colleges which also wanted to participate, as well as Ontario Research Foundation, we might have to take a little bit longer to study the various components that might go into the centre and the constituent members of APMA who might participate, not only as customers of the centre but as people who would joint venture with us in the operation in one way or another.

Therefore, rather than rush to judgement with a decision which might have meant the early deadline I tried to set of mid-November, we decided to take a little longer and do some extra work just to make sure that the location would be the right one, that the component parts of it would be complete and that the support for it in the industry would be of a degree necessary to ensure it would work.

As I said this morning in the earlier part of the estimates, I am quite prepared to suffer the criticism and the open letters for a few weeks in 1981 so that we would have a centre that is strong and viable for 10, 15 or 20 years. I think a well thought-out, carefully considered decision is far more important than meeting a deadline of

mid-November. Four weeks will turn out to be meaningless over the next decade, and several decades is certainly the lifetime of the centre.

Mr. O'Neil: Are you planning to make an announcement by the middle of December?

Hon. Mr. Grossman: We will make an announcement as soon as that material is complete. I hope it is by the middle of December. We have been trying to get it out before the House finishes.

Mr. Brandt: As a supplementary to that same question, could you narrow it down to any specific number of locations at this point?

Interjections.

Mr. Brandt: I also made representation from Sarnia. I do not think there is anything wrong with that. I think you would do the same thing.

Mr. Laughren: Don't be defensive.

Mr. Brandt: I am not being defensive. On occasion I have been offensive but not defensive.

Hon. Mr. Grossman: I think to be fair to all the cities—

Interjections.

Mr. Haggerty: What one hangs up there is the one you should accept.

Hon. Mr. Grossman: That is how you should pick your leader.

Mr. Watson: That is probably what they are going to do.

Mr. Chairman: Mr. Minister, are you going to respond to Mr. Brandt's supplementary?

Mr. Stokes: Mr. Minister, you are stonewalling and you know it. You are doing nothing but stonewalling. You are reacting to every little titter in the room and the longer you can keep us from asking the real questions—and I am not denigrating from anything Mr. Watson is saying as he has a very legitimate point—

Hon. Mr. Grossman: I think I am entitled to my turn.

Mr. Stokes: You are not that insensitive you cannot ignore the obvious interjections and get on with answering his question.

Mr. Chairman: Perhaps if there were less interjections by committee members, there would be less reaction by the minister to those interjections.

Mr. Stokes: He does it so beautifully too.

Mr. Cunningham: They learn from the master.

Hon. Mr. Grossman: Mr. Stokes, if everyone followed your example this morning and sat quietly through the entire session and waited his turn, then I would have finished my answer 10 minutes ago. Mr. Brandt, we have narrowed it down somewhat.

Interjection.

Mr. Chairman: Mr. Laughren, we have about seven other committee members who have interests.

Interjections.

Mr. Chairman: If you want to carry on private discussions, perhaps you would like to do it outside the committee room. Carry on, Mr. Minister.

Hon. Mr. Grossman: Mr. Brandt, we have narrowed it down somewhat, but to be fair to all the municipalities involved, we want to have an orderly process when the decision is made whereby we might be in a position to notify all the municipalities. There will be winners and losers as is the case in all these things. We want to be able to respond to municipalities and give them an explanation so that they know they have had a full and complete hearing. Indeed, we have spent a great deal of time working with the municipalities.

Mr. Cooke: May I ask a supplementary?

Mr. Laughren: Do you feel better, Andy?

Mr. Cooke: His answer is that he has narrowed it down, but he cannot tell us what he has narrowed it down to.

Mr. Brandt: Do you have a number, Mr. Minister? I realize that you may be in an awkward position responding to a specific question as to location.

Mr. Laughren: No, no.

Mr. Brandt: Mr. Laughren may well be able to answer this question; I don't know.

Mr. Laughren: That would be good. Put me in that seat.

Mr. Haggerty: Put him in the chair.

Mr. Brandt: That would be a total crisis for Ontario.

Mr. Laughren: Even worse than the one today? I doubt that.

Mr. Brandt: I have nothing but total confidence in the ministry. Now that may not be shared by you.

Mr. Laughren: But you may not even be a delegate.

8:20 p.m.

Mr. Stokes: Come on. I think you are all a bunch of damned yahoos.

Mr. Brandt: Mr. Minister, I want to ask if you have a number. I realize there were two centres specifically mentioned with respect to the automotive centre. Has that been enlarged in a serious sense or are you still limited to those two centres? Do you have a number you might be able to put on it? My own community is obviously very interested. We feel we have something we can offer as well as Chatham. I can well appreciate Mr. Watson's concern and his argument with respect to the problems he is facing in his own community, as can other members who may voice the same concerns. Do you have a number being seriously considered at the moment?

Mr. Haggerty: He has already promised the \$6 million to the member for St. Catharines (Mr. Bradley).

Hon. Mr. Grossman: We have reduced it down. I would not want to go so far at this stage as to say what the number is. We really do not want any more than is already happening out there, namely, a lot of guessing and a lot of second-guessing as to who is in and who is out. It is very difficult when we have consultants out in the field visiting a number of cities and looking at sites. Obviously rumours fly around and have literally flown around in six or seven communities. We are trying to keep that as controlled as possible, yet we are not doing it undercover, to go to the other extreme.

Mr. O'Neil: Why not tell us the answer tonight, so we can get on to something else?

Hon. Mr. Grossman: One of the things that has taken a lot of time is that some of the communities have offered a lot of things to the auto parts technical centre. We are trying to find a way to tap and use some of the things offered by some of the communities so that a lot of communities will benefit wherever the centre is eventually located. If we are in a position where the only community to benefit from the auto parts technical centre is the community in which it is located, in my view we will have failed in our task. It is supposed to be a centre that reaches out into a number of communities wherever the auto industry is located to aid and assist the auto parts manufacturers throughout. That will require bringing in resources, talent, people and private sector talent from various communities.

Mr. Cooke: May I ask a supplementary, Mr. Chairman? It is directly on the centre.

Mr. Chairman: Has Mr. Watson's question been answered, Mr. Minister?

Hon. Mr. Grossman: No.

Mr. Cooke: You let Mr. Brandt have a supplementary. It will take me two minutes to put the question.

Mr. Chairman: Mr. Cooke, we have seven people who all have interests in their own particular area or riding. If each committee member would try to limit his questions and the minister's response to approximately 15 minutes each, everybody can get a chance.

Mr. Cooke: I will not have to come back to the centre if you let me put my two-second question in now.

Mr. Chairman: I think we should hear the answer to Mr. Watson's original question first.

Mr. Watson: Do we have a time limit? You can deduct it from my time.

Hon. Mr. Grossman: As you know, Mr. Watson, we have been discussing a number of alternatives for your community. Working with the industrial commissioner there, I have had several discussions with municipal officials with regard to what can be done in that area.

There is no question the Harvester situation and situations related to food processing and agriculture will be keys to that community. We are looking at all those things at the present time. Unfortunately, Chatham is particularly sensitive to international market conditions. I must say those are not going to be easy over the next few months. None the less, we are willing to devote time, resources, advisory assistance and money to any reasonable efforts the community thinks it can mount together with us to help us over this difficult period of time.

Mr. Watson: The other main industry we have in our area is agriculture, tying in with Massey-Ferguson and International. Some of the techniques in agriculture bear into your industry because they go into the manufacturing. I think of the tremendous change in marketing or harvesting of tomatoes by mechanical harvesting means and some of the machinery that is necessary for this type of thing. Some things are fairly simple, such as picking aids for cucumbers. We have mechanical harvesters for cucumbers. Have you given any consideration to any type of support for industries looking into new machinery required in an agricultural community?

Hon. Mr. Grossman: We have gone into some work on that as a result of some of the work we have been doing in the great municipality of Sudbury related to resource machinery equipment.

Mr. Watson: They do not grow many tomatoes or cucumbers up in Sudbury.

Hon. Mr. Grossman: Some of the work we have done in that sector indicate the opportunities to be discovered. Bringing together the various components of the industry, the resource companies themselves, the manufacturers of machinery, labour and financial institutions has been a very interesting process and we have learned a great deal from that. The potential we have seen there for doing something as a joint endeavour has led us to look at the applicability of that to the agricultural sector, the food processing sector and so on. That is something under active consideration as a result of the kind of work we have done on the resource machinery.

Mr. Watson: You have touched on food processing, and that is one of the things. In Kent county we do not like giving up land for factories unless it is going to produce jobs for local people or has something to do with an agricultural industry.

We lost the sugar beet industry in our area 14 years ago. The discussions went every way as to why we lost it. With the price of sugar, I think there have been times since when we wish we had it back. There have also been times since, with the price of sugar, when we were also glad we did not. Is there a possibility of your ministry participating in new products development?

We grow a lot of soybeans. The soybean people themselves have pretty well gone into the roasting of soybeans, which one can now purchase in the store. I do not think any government research people have particularly done a lot in terms of the research on new products or new marketing techniques for things that can be grown. I like to think we have a tremendous potential. A lot of people do not know we have 30,000 acres in Dover township that is really below lake level. The irrigation possibilities there are very easy because all they have to do is spread the water around; they do not have to pump it. Would your ministry entertain any thoughts on food processing related projects?

Hon. Mr. Grossman: As I was referring to this morning, we have some work under way with a group within the ministry, together with the Ministry of Agriculture and Food, to try to solve some of the problems related to linkages between the producers and the processors. That involves a complex series of things, including marketing boards, which we referred to earlier. Obviously this includes some assurance for the producers that the crops they are going to get into are going to be processed and that there would be a

market for them some years down the road after they made the switch and began to produce the crop. That takes a great deal of work with all segments of the industry.

The Ministry of Agriculture and Food is obviously dealing with the producers' side. Until recently it was doing most of the work on the processors' side until our ministry got involved at cabinet's request to handle the BILD submissions under food processing. That has led to us taking a wider view of it, trying to develop an overall strategy to deal with those.

Part of the solution may perhaps be some more work to be done on the equipment side in the processing industry and building some linkages between the sectors. We cannot do that alone, but there is an extensive amount of work being done by our ministry together with Agriculture and Food. The new relationship that has been struck has been most helpful.

Mr. Watson: I am thinking of marketing. I know in Agriculture and Food there is a new program on asparagus. We probably grow more asparagus in Kent county than any other area does. I am sure there are more ways asparagus can be marketed than the ways it is being done now. It is one thing to grow it, but when you fly in an aeroplane and get white asparagus tips, although it is a specialty, someone has put that marketing package together and been able to sell someone else a product. I use that only as an example of the different products that could probably be sold on our basis and on an international basis.

Hon. Mr. Grossman: On the marketing side, I must say that remains with Agriculture and Food where I think it does belong. We are simply trying to do the linkage to the food processing end; they are going to complete the linkage on the marketing side. We work closely with them on marketing, particularly export marketing, but that is ultimately their responsibility.

8:30 p.m.

Mr. Watson: Are you going to be responsible or is the Ministry of Agriculture and Food going to be responsible for production techniques in things like mushrooms?

Hon. Mr. Grossman: Production techniques? That will be something that is done jointly with the ministries as a result of the system we now have under way of working at these things jointly.

Mr. Watson: I have one more area I want to cover and that involves the Ontario Develop-

ment Corporation loans. Do you still have money for ODC loans? Are you entertaining applications and do you have funds for them?

Hon. Mr. Grossman: Yes. The programs are more diversified than they have been to date with the guarantee and interest subsidy program which we outlined earlier.

Mr. Watson: I wanted to put on the record that we were pleased that not all of our areas are going backwards. This week your parliamentary assistant was in Wallaceburg to present an industrial award to H. E. Vannetter. I suppose that has made a tremendous expansion in the past five years.

Hon. Mr. Grossman: Yes, they have. Not all the news is bleak.

Mr. Watson: I think one of the strengths of Wallaceburg, which is in much better shape than Chatham, is its diversification. I would hope that in your programs for our area you would look at the diversification of programs. I realize that some of the other members want to get some questions. I am sure the member for Windsor-Sandwich, who tries to represent all the areas of the province, will want to get his turn, so I would not want to take his time.

Mr. Haggerty: I hope you are not going to get too much on this topic because I want to follow along the lines of the member for Chatham-Kent. He mentioned that we are looking at this auto technical centre, and I suppose it is going to be difficult for the minister to choose a place. I think a promise was made in the Niagara Peninsula that it would be located there. Then there were promises for Chatham and Sarnia and all over the province. It is going to be rather a tough promise to keep, but you have to live with it.

Mr. Watson did mention the other areas of difficulties in Ontario. He mentioned something about the farming industry, the agricultural sector of the economy, which perhaps plays a more important role than the automobile industry. I was thinking of a report that was completed by Purdue University in the United States on the involvement in capital cost per man in the United States as it relates to the farming community.

I am quoting from memory now, but I believe it said that for a farmer, a person in the agricultural sector, the average investment is \$500,000. For a person employed in Exxon it is about \$386,000. For a person employed in one of the computer companies, Xerox or one of the larger ones over there, it runs to about \$365,000.

The capital outlay for a person employed in General Motors or in the automobile sector is \$50,000. So you can see the capital required in the farming sector.

It also mentioned that the capital investment in an average farm in the United States, some 150 acres, was \$1.2 million. It raises an important question about what the ministry intends to do in the agricultural sector in the province that relates to farm equipment. If you are going to be broadening out into a research centre or technical centre, I think you should perhaps broaden it out to include almost every industry in the province.

I was interested in reading an Associated Press analysis from the United States. I think this should go on the record because it bears an important message that perhaps you are taking the wrong approach as you are getting into this auto technical centre. I think the automobile industries in the United States and Canada have themselves some of the best research facilities and have done some of the best research in the industry over the years.

It says: "A Commerce Department report informs Congress that the financial troubles of the American automobile industry are serious and that major doubts exist about its future competitiveness. Coming after a year (1980) in which the industry lost more than \$4 billion, that's hardly a new conclusion. Some people close to the industry, like consultant James Harbour"—perhaps he is one of the better consultants in the business—"have already said they are watching a horror without parallel in United States industrial history.

"Based upon... experience and on studies of US and Japanese plants, Harbour declares the Japanese, 'are making us look like two-year-olds in how we manage plants.'

"During a car industry symposium at Stanford University on November 21, he told other automotive analysts that, 'they're stomping us into the ground.' The entire US industrial base is 'going right down the drain'"—you can see they are in difficulties over there and of course some of it is going to have some serious effect on the Canadian economy and particularly in Ontario—"he said, 'because American managers fail to boost productivity.'"

He goes on and gives a list of reasons. He said, "Japanese car makers have average unit costs of \$1,700 below American manufacturers on comparable models sold in the United States.

"General Motors is 'the worst assembler in the United States,' averaging 31.5 hours to

assemble a Chevette. Ford takes 28 hours for an Escort or Lynx, and Chrysler 29 hours for an Omni or Horizon. In Japan, the industry average for assembly is just over 15 hours." So they are almost double.

"American wages and benefits average \$19 an hour compared to \$12 for the Japanese." It goes on to say: "But Harbour claims that labour cost differences are still a relatively small factor in the cost gap between the Japanese and Americans. The biggest problem, he says, is poor US productivity, 'mostly bad management.'"

"Toyota, he told the Stanford audience, keeps an inventory ranging from enough for two hours to two days of production. US producers, he said, regard 10 days as a minimum inventory. As a result, he said, they have \$8 billion tied up in the parts pipeline. Nearly one third of new US auto factory space is devoted to inventory and parts storage, he said, while in Japan such use of space is practically nonexistent."

He goes on to talk about the cost of bringing in parts to the assembly plant and so on, and perhaps this is where some of the problem is. I was concerned when he said that the problem with the automobile industry is mostly bad management. I know that the Ontario government has gone in and given substantial grants in the past year trying to keep the industry and jobs going in Ontario, but I wonder if this auto technical centre is going to resolve the problem that is actually there.

The problem is perhaps that we are not building fuel-efficient cars yet. There should be improvement in that area. I do not know whether the auto technical centre is going to be doing research into that; maybe you should expand the facilities of the Ontario Research Foundation.

Hon. Mr. Grossman: Certainly expanding the facilities at ORF was one option, but for a variety of reasons, which I think will become evident when we make the decision, we thought—and the industry agreed with us—that it would be best to start a new operation with separate facilities, have it stand alone and work very hard at outreach to the auto parts people. I am sure you would prefer to have it in, for example, Niagara than as an expansion—

Mr. Haggerty: Navy Island would be a good place for it.

Hon. Mr. Grossman: In any case, your question really is, will it solve all the problems? Of course it will not solve all of our problems. The basic health of the North American auto

industry depends upon the assemblers' ability to design and put together a fuel-efficient, inexpensive, competitively priced automobile. They are making strides in that regard and I think their reputation is probably running behind their success today. I, for one, believe they are putting out better cars than they are generally given credit for.

8:40 p.m.

It is going to take a few years before the reputation comes back to the North American cars. Still, they are continuing to work on developing some of the fuel-efficient devices, components that go into the automobiles. They are going to succeed because they are spending \$50 billion to \$70 billion for the entire renovation of the industry.

We want to make sure some of that occurs here. Some of our auto parts people should be in the position to convince the Big Three, all of whom are capital short, that it makes better sense for some of that technology to be licensed to an independent parts producer. Perhaps an independent parts producer can develop, design and produce an auto part that will save GM, Ford and Chrysler and AMC the cost of production and solve one of their problems, that is, increasing the fuel efficiency of their automobiles.

That is one of the things the auto parts technical centre should be able to help our Canadian auto parts industry do. Our Canadian auto parts industry begins with a raw material base unparalleled by any other nation. Aluminum, plastic and light steel are all strengths of the Ontario economy. Those are the raw materials used in all of the new auto parts.

The question is, do our Canadian auto parts manufacturers, by and large, have the resources? Do they have the research and development capability installed to convert those raw materials into the new products demanded by the fuel-efficient hungry Big Three or Big Four?

We think we have identified several areas in which we can help the auto parts industry. They include research development of plant operation, acquisition of state-of-the-art technology, and discovery of new techniques and application of new techniques. All of those can be and will be parts of the auto parts technical centre. The degree to which our auto parts industry takes advantage of the opportunities presented by the centre will largely determine the success of the centre.

We are going to devote a lot of resources to make sure the centre is not just something that

sits in one particular place and waits for people to drive up to the door. A major part of the centre will be to ensure it is located sufficiently central to a large part of the auto parts industry and is therefore accessible to a large part of the industry. There will also be people working in the centre who will be going out to the auto parts people throughout the province and working with them in their own factories and plants on a variety of issues, all the way from productivity through to research, design and development.

I think those are fairly important. Nothing is 100 per cent, but I am convinced with the participation level we have seen from the Automotive Parts Manufacturers' Association and the amount of work we have done in planning the centre, that it will be an important addition to the Canadian auto parts scene in precisely the area in which there is some weakness.

One other thing you mentioned is the inventory problem compared to the Japanese situation. One of the reasons the Japanese assemblies carry such low inventory is that the auto parts manufacturers in Japan tend to be located very close to the assemblies. Therefore, one of the advantages their assemblies have is that they do not need inventory. The supplier is close at hand, only a half hour or 20 minutes away, and can ship on a two hour basis. They know they have the parts coming in. There is no inventory problem and no cost of carrying that inventory.

In North America decisions are made in another way. Assembly operations are in one place, but the auto parts manufacturers are literally spread over 4,000 miles.

Mr. Haggerty: More than 4,000 miles. I suppose you are taking in Europe too. Some of the engines are made over there.

Hon. Mr. Grossman: Well, that is true. In North America there has been a conscious choice that the auto parts industry will be found in hundreds, if not thousands, of communities spread across North America. That seems to me to be a more economically sensible and certainly a more socially acceptable alternative than to have all the auto industry, assembly and parts, concentrated around one given part of North America, be it Niagara or Windsor or whatever part of North America you want to take. If it was concentrated in one block, there would be thousands of communities that would not have a lot of first-class employment. There would be no auto parts in Barrie, Midland,

Chatham, Ingersoll, Tillsonburg or certain communities in Niagara. Instead, there would be a concentration.

As that article outlines, North America is now paying part of the price for what some people would say—I do not—is an economically inefficient way of structuring the industry. I think we have certain other imperatives in North America, social and socioeconomic perhaps, that have dictated that the auto parts industry will be spread across the nations.

Mr. Haggerty: Surely with the funding and grants provided by the government of Ontario and by the federal government, and with this auto technical centre being built here in Ontario, you are going to find the government more involved in industry today. Perhaps it will even be involved in the management part and what direction it is going to go. With these grants, I can see the involvement of governments more and more.

When you talk about participation, there is an example and a good lesson to be learned from Japan. You do not talk just to management and government. There is a third party left out of the picture altogether here in Canada. Sometimes the average working man and the heads of unions are just as knowledgeable as management is with regard to productivity.

I think it is time you had an ear open to the third party. Without their involvement in the direction in which the industry is going to go, you are not going to get the co-operation required from all three parties. If it wants the industry to survive, I suggest that is the area the government is going to have to take into consideration. The employees in the industries should have some say in the matter and some discussions because it is their bread and butter too. I suggest you should not leave them out of the picture.

I was reading the minister's release from Ottawa about the Volkswagen company locating in Barrie, Ontario. I am going to ask the minister if he has gone through that agreement with Volkswagen. Is he satisfied with the duty-free access conditions? Is it just going to open the door for Volkswagen to come in here and put up another assembly line and still bring in the biggest majority of their parts from Europe? Are we protected well enough here so that what happened to the local American automobile industry will not happen in Canada?

Hon. Mr. Grossman: As we understand the duty omission approval, it requires—and I do not have the papers in front of me right now—as

I recall, 85 per cent Canadian value added. That is a mixture of parts produced by Volkswagen in their Barrie plant and parts sourced from plants in other non-Volkswagen plants in other parts of Canada to bring it up to 85 per cent.

Mr. Haggerty: Is it a deal similar to what they have in the United States with the Volkswagen plant there?

Hon. Mr. Grossman: Pardon me, I am sorry?

Mr. Haggerty: They have a plant in the United States. I think perhaps it is on better terms than this one is. They are not permitted to bring in all the, let us say, heavy, labour-intensive parts. We could be stamping out plastics, rubber and things that are not labour-intensive here. I suggest to you that in the long run we may still be short-changed in this deal.

Hon. Mr. Grossman: When you get into some of the parts of the agreement which were not included in the public documentation, I think you will find the concern you have has been met in the duty omission agreement. I am quite sure of that.

Mr. Haggerty: Does it mean they can have the plant in Barrie and still bring in parts from the United States?

Hon. Mr. Grossman: No. With respect, the provisions written into the agreement protect against that sort of situation. It is fairly clear. It is a complicated scheme, but in essence 65 per cent of the Canadian value added has to be provided by the Volkswagen plant itself, plus another 20 per cent from parts purchased in Canada. It is a very complex agreement, but rest assured. Your question was: Am I satisfied the necessary protections are built in there? Yes, I am.

8:50 p.m.

Mr. Chairman: Gentlemen, I think we should move on to Mr. Stokes for the next question.

Mr. Stokes: First of all, I would like some clarification of the criteria used for the Northern Ontario Development Corporation loans, and I want some reaction from the ministry with regard to loans under the Federal Business Development Bank.

NODC is sort of the source of last resort. If you cannot get it from the conventional lending institutions, then you go and see NODC. If you cannot get it there, then you come here. I want to know what the criteria are, generally speaking, and I am going to give you two specific instances of what, in my humble opinion, were excellent presentations.

The first one was by a chap by the name of Spence Bell for an FM radio station in Marathon. We got the support of the Ministry of Northern Affairs, in fact of the Minister of Northern Affairs. You have to appreciate what this gentleman was trying to do. He had the whole idea very well researched. If you travel 50 miles outside the city of Thunder Bay, you do not get any radio reception at all unless you happen to be within five to 10 miles of a low-power, CBC-relayed AM station. There are a good many communities in the north that do not have anything at all, unless they happen to have one of these low-power relays for AM reception.

This fellow was prepared to spend a good deal of his own money, and he is quite knowledgeable in the communications industry. He had no difficulty at all convincing companies like Noranda Mines, American Can and Kimberley-Clark of Canada, which were prepared to do some advertising just to make it a viable enterprise.

I was in on the ground floor with him, not because I thought you should lend him money specifically, but because I thought it was such a good idea. I was trying to do everything to convince CNCP Telecommunications they should share a tower location which would have fed and served all the areas, including Schreiber, Terrace Bay, Marathon, Heron Bay, Caramat, Hillsport, Manitouwadge, Geraldton and Longlac.

It was absolutely essential to have that specific location. We negotiated with CNCP for over a year to get them to buy the concept of sharing, only to find that NODC, although it had no objections to the overall plan and thought it was an excellent plan, was coming up with all of these goofy criteria and reasons why the thing would never be viable. Everybody else was committed to the concept and thought it was just the greatest thing for that area since sliced bread. We found out in the final analysis that one of your people in the Thunder Bay office said nix to the thing. He said, "You should not be going to elected members to ask for their assistance and their input into the thing. You should have gone directly to the Northern Ontario Development Corporation."

I do not buy that. That is not the way we work in northwestern Ontario. We do not care how the hell you vote. If it is a good idea, if it is viable, if it is going to provide a service to people, and if you have the entrepreneurial and the technical skills, God bless you. But you get some person in an office there saying, "I do not

like the idea of your going to your elected member. You should have come down here to the ministry."

I want to tell you that in the way in which your people in the regional office present those things to your board down here and to your people who screen them, they do an excellent job. I have been working with Mr. Woods—I do not know whether he is still in the business or not—and there was another chap by the name of Mr. Beckley. They do an excellent job, but if it is nixed up there, you can bet there is going to be a shadow cast on it before it even gets down here.

I am not saying that is the reason why it was turned down. It is not very encouraging to a small businessman who has the initiative, has an idea and is willing to commit his life savings and mortgage the house and everything else just because he thinks he has a good idea, an idea that everybody agrees with, including the Minister of Northern Affairs, who, even after it was turned down, had his team go back in and make a secondary appeal. That is how strongly your man responsible for co-ordinating things in the north felt about it, and they said no. That is one of them.

Another one is the Woodlands Inn. I am sure your people know the history of the Woodlands Inn. That was a NODC loan and Federal Business Development Bank money. The fellow took off. I do not ask them what their politics are or how they vote. If they have got a good idea, I will support them. We were all wrong on this guy. He left everybody in the lurch, including you people.

Hon. Mr. Grossman: Did you support the application?

Mr. Stokes: Yes, I did. You had to have a buyer. The thing had gone sour and you had to have a buyer. You were fortunate enough in getting a fellow by the name of Joe Stocco, who sold his interest in the Red Rock Inn and took over what up to that point was a white elephant. He turned the thing completely around. He did \$400,000 worth of business the first year he was in operation and it is now well over \$800,000. He is turning people away like you would not believe.

I know you are going to talk about equity and say, "Just be patient, just sit there, and when the figures we want meet your performance out in the field, then come back and talk to us." You met him in Thunder Bay. I set up a meeting, and it sounded quite encouraging as a result of your initial meeting with him, only to find out that it

was turned down again. You must appreciate that, when somebody is in the accommodation industry in northwestern Ontario, he cannot have just overnight accommodation. After driving all the way from Hearst or Thunder Bay, when people stop they do not want to be going all over hell's half acre for a meal, or they do not want to be running all over for a drink. It is sort of a one-stop shop deal kind of thing.

He was turned down. All the figures are there. He is in his third year of operation and he has practically tripled his business. He cannot do anything more unless he expands in order to meet the demand. It is a question of supply and demand. That is my concept of the free enterprise thing. The market is there, but you are saying, "No, when the figures meet ours," whatever they are, whatever mythical criteria you use, "come back and talk to us."

There is going to be a lot of interest in the Longlac area. It could be the southern terminus for the northern gas line coming down from Melville Island and intersecting with TransCanada PipeLine's line. There are a number of things that are likely to happen. Those small people who have invested their life savings in that type of thing have proven their ability to run a business. When the right time comes along, who will come in but Best Western, Holiday Inn or something like that? You know what that is going to do to these small businesses. If they do not react to the realities of life in those communities, they are going to be frozen out by some big guy. I do not think that the people in those circumstances are well served by whatever criteria you are using.

Perhaps I will stop right there and have somebody react to what I have said. I have about three other points and I will make them as briefly as possible.

9 p.m.

Mr. Girvin: Mr. Stokes, on the first case, I think I would agree with a large percentage of your presentation concerning the level of sensitivity and the level of interest, particularly with regard to the community.

As far as the FM station in Marathon is concerned, I think the proposal on two occasions was processed and taken to the board of the Northern Ontario Development Corporation. There were extensive discussions concerning this case. One of the strongest criteria was the fact that there is a feeling that in communities north of the French River or in other communities that do not have the same facilities

as other parts of the province every consideration should be given to every project that provides for some balance in that area.

I think the social considerations were quite significant. Very lengthy and deliberate discussions were held on two occasions by the board of NODC, all independent, local, northern business people. The major concern on both of the presentations was not that they would not get some level of advertising as far as Noranda or some of the other major manufacturing employers in the area were concerned. The major concern was the volume they could get, relative to the debt load they would be incurring, in spite of the deferment of principal and interest and favourable terms that would be provided by the Northern Ontario Development Corporation.

There was a very strong feeling on the board's part that we were not doing any justice to the entrepreneur himself, relative to his projections on cash flow versus the capital costs that were involved to bring in the FM station. We do not pretend in NODC, particularly at the staff level, to have a great deal of expertise in a specialized market such as this. On the second occasion we made arrangements with Mr. Spence Bell to meet with an experienced radio man, where his plans were reviewed and modified and he was counselled by an individual gentleman who has a great deal of credibility as far as marketplace advertising revenues in northern Ontario are concerned.

The bottom line, Mr. Stokes, for the independent board of directors, for the local businessmen, was their concern about the revenue from ads versus the capital cost relative to the station. As to the level of sensitivity on this, I do not think there was one staff member in Toronto connected with NODC or any individual board member who was not totally aware of the sensitivity of that particular application on the two times it was presented to the board.

They were not playing catch 22. It was just one of those lines where, if it was going to cost X dollars, even taking the most liberal treatment of advertising revenue forecast, you were going to sink the gentleman. That was the view, regardless of the amount of deferment or the favourable terms and encouragement that would have been provided by an Ontario business incentive program loan and other assistance relative to the Northern Ontario Development Corporation.

It was not a judgement call taken lightly by the board. In the evaluations of staff members I

think there was a recognition, in light of the sensitivity, that we needed some outside advice. If there are any changes in the level of projections or any new developments on that, although we have taken it twice to the board, as you are aware, I am quite certain that if there are any different figures or a different proposal, we would take it to them for a third time. The first presentation had a more significant capital cost. What we did on the second presentation was to try to restructure it down to a more modest proposal which will serve the community and still not kill the gentleman after a period of time.

In the case of the Woodlands Inn, both staff and myself totally support your statement with regard to the entrepreneur and the takeover ability of the individual who bailed out NODC, the first mortgagee and the second mortgagee, when the original proposal went bankrupt before completion. Certainly his ability to manage and hustle, in the best sense of the word, has been a very strong bonus for the Northern Ontario Development Corporation. There is no question about his ability to be a good operator.

On the application that was received, with respect to doubling—and I believe it is a bit more than doubling his present facility—the board's concern was that he had put up very little equity originally in helping us out and he had incurred a carryover of a fairly heavy debt load, even if it was on favourable terms. They felt if he could just reduce a little bit of his debt before he doubled his facility, he would be in better shape as far as long-term viability was concerned.

The suggestion was made, did he have to double it? Was there some intermediate stage that might be a little more propitious for his own future viability. I am informed by Mr. Beckley that there is a recent application in the Thunder Bay office and a Mr. McKinnon is processing that at the present time. I was at all of those board meetings, and that is my interpretation of the flavour.

In the first case it was a straight volume of potential revenue versus the debt load the gentleman was incurring. In the second case it was not necessarily a subject of equity on that. He has turned it around and he is a good operator, but does he have to double it? One of the great concerns the board and staff members have is that if there is too rapid an expansion on something that is high leverage, are we putting the person in a difficult situation a year and a

half down the road? On the second case we have received in the last week or 10 days a new application, and that will be processed.

Mr. Stokes: Thank you very much. I want to ask the minister a question. You are getting into the northern Ontario rural development agreement program now, this federal-provincial agreement, and the lead ministry in that as far as northern Ontario is concerned is the Ministry of Northern Affairs. I have directed a couple of people who had heard about it and told them to speak to the person responsible in Northern Affairs. I take it that is more for promotion and how to sell more of what you have to sell rather than any capital expenditures. I am concerned as to whether there is money in NORDA for that type of thing. Is that component of NORDA strictly for promotion, how to market and that kind of thing in the tourist accommodation industry?

Hon. Mr. Grossman: I am not sure that is exactly the way I remember it. Perhaps we can get the precise words. Do you want to carry on to one of your other questions because I would like to be precise about it.

Mr. Stokes: I want to ask you if anyone in your ministry is getting involved in peat resources and their potential. I am sure people in your ministry attended that excellent symposium in Thunder Bay. As well as those from all parts of Canada, there were people from Finland, Ireland, all over the United States and even New Zealand there to recount what was going on in their jurisdictions and the tremendous potential peat has for a variety of uses, particularly as an alternative source of fuel.

9:10 p.m.

I want to get into something Mr. Stadelman is involved in at Northern Ontario Development Corporation. I happen to know something about that operation as I have made two or three trips out there.

Hon. Mr. Grossman: With the Ontario Research Foundation.

Mr. Stokes: Yes, the Ontario Research Foundation. I happen to know that some of their projects have particular application to the north, such as using more of the tree and metallurgical studies with regard to specific kinds of ores. Any money that you are spending at the Ontario Research Foundation is certainly money well spent, and I think you should be doing more of it.

Hon. Mr. Grossman: I should have the

northern Ontario rural development agreement details here. Just give me a moment because I think they differ slightly from what you said. You are quite right about the special studies for marketing, which I am informed is \$1.5 million, but it is up to a maximum of \$100,000 in a forgivable loan. The northern Ontario subsidiary agreement provides assistance for manufacturing and industrial projects and, Mr. Girvin advises me, the criteria there are "fairly loose."

Mr. Stokes: I looked over this and I saw the number of loans for ODC, EODC and NODC, and it seemed that for a variety of reasons people find it more attractive to set up secondary or tertiary manufacturing in southern Ontario, which is much closer to the markets and so on. However, there is nothing for the specialty wood products industry which I would like your people to explore.

Today, in almost any retail outlet you can think of, even a drugstore, you will see that they stock a number of specialty wood products, but very few of them come from Ontario. Even much of the wood cores that paper is wrapped around comes from Quebec rather than Ontario. Maybe they are better at it; I don't know. How many toothpicks are manufactured in Ontario? How many rolling pins, how many salad bowls or how many of the literally thousands of wooden articles you will find in any store come from Ontario?

The next time you have an hour or so, just walk down Yonge Street, look for specialty wood products and turn them upside down to see where they are made. The chances are it was not Ontario. We have a lot of waste wood that is being ploughed under. It is a pain in the neck scarifying an area for replanting, but I think we are missing a bet.

Your briefing material says that is what your ministry is all about. But I am wondering if your people have done anything about this particular feature?

Hon. Mr. Grossman: We have recently beefed up our domestic marketing branch import replacement section. We referred earlier today to the health care import replacement program. Because of the relatively small size of the Canadian market, let alone the Ontario market, to have major successes and major returns on the investment of time, staff and dollars, it is necessary to look at those areas where we can get national co-operation and have other provinces working on it and where the market is a fairly substantial one.

In the first year of our expanded domestic

marketing program, in addition to the normal level which is always carried on, we took the \$1.2-billion health care sector and spent a great deal of time travelling with people from other provinces to locate the kinds of health care equipment that can be replaced by Canadian-made goods. This has been very successful.

It is interesting that the health care sector has a bit of a history of not necessarily locating in places such as the Golden Horseshoe. I can think of the Boettger lab, which just recently opened in North Bay. Although it is not in northern Ontario, I can point to the Baxter-Travenol Laboratories of Canada Limited operation in Alliston. The health care industry has several products that can be made in areas rather distant from markets. Certainly some components can be made in northern Ontario.

You referred to certain sectors. The short answer is that our domestic marketing branch is continuously trying to identify those import replacement opportunities. To be honest, I must say we are looking for the identifiably large sectors because they are the places where, if you make a one, two or three per cent dent, you are creating a lot of jobs.

Hence we had the pulp and paper machinery show in Thunder Bay, which was very successful. We also had a mining equipment show in Sudbury, which was pretty successful. Then we had the health care import replacement show, which we held in Winnipeg because we wanted to attract people from other provinces. So we are admittedly operating in the larger sectors. But we hope that our field staff, working together with small entrepreneurs throughout the province, can deal with the smaller but important items you have talked about.

Mr. Stokes: You will be looking at them.

Hon. Mr. Grossman: Yes. It is implicit or explicit in my remarks that domestic marketing is a major priority for us.

Mr. Chairman: I think we should move on.

Mr. Stokes: With your permission, and I will be quiet from here on, I would like to ask Mr. Stadelman a couple of specific questions.

Hon. Mr. Grossman: That would be fine with me.

Mr. Chairman: I don't know how the other members feel, but I would just point out that Mr. Stokes has had well over half an hour already. Most other committee members have tried to limit themselves to 15 minutes.

Mr. Stokes: I am sensitive to that and I do not want to hog the time. I would like to ask you,

Mr. Stadelman, since you are doing some work on the energy audit for greenhouses, if you have done any work in hydroponics. I spent two weeks in Japan in September as the guest of their Ministry of Foreign Affairs. They gave me an opportunity to see a variety of things, such as going through the Toyota plant, but I was very impressed with the tremendous strides they have made in hydroponics.

One of the major manufacturers of hydroponic units took me out to some of his installations. This one company has over 700 units alone. It is the greatest thing over there since sliced bread with regard to quality. Will you be doing any work to see if we can get into hydroponics?

9:20 p.m.

I also want to ask you about all the aircraft that are downed in Canada. We spend hundreds of thousands of dollars just trying to locate the aircraft in order to relieve the anxiety of the families. Some of them we never find. Just a little while ago an aircraft was found on Shebandowan. It had been carrying a doctor and his wife who were returning from western Canada. They were found by somebody who was hunting and just happened to find the aircraft.

Is there any research that could be done on, say, a specific kind of paint that could be used on every aircraft, along with an identification system, to help to spot them when they go down? We have all the technical knowhow to send people to the moon and to pass Saturn and so on. We can take an inventory of the species of wood in our arboreal forests by these aircraft from 500 or 1,000 miles up, and we can detect forest fires by delicate sensors. Yet we have not designed anything to help find a downed aircraft. It is costing us taxpayers millions of dollars every year for searches, only some of which are successful.

I would like to hear your ideas on my suggestion of a special paint for aircraft and on the subject of hydroponics.

Mr. Stadelman: As for hydroponics, we have not done any work in that field at all. I presume it is more likely a field of the Ministry of Agriculture and Food. However, a number of Ontario industrialists went on a technical mission to Israel, and some of the installations they saw there involved hydroponics, if I recall correctly. I was not on the mission, but I got that impression.

As to your novel approach to finding an

aircraft by some form of radiation or something like that, I would be pleased to take a preliminary look at it to see what I can find out. As you are probably aware, a development of the National Research Council is used on the large aircraft for this very purpose. This is manufactured by Leigh Instruments Limited. I am not an expert on this, but I suspect that may be too costly for the smaller aircraft. I would be pleased to talk to Leigh Instruments about it and drop you a note.

Mr. Stokes: Good. I personally appreciate what the Ontario Research Foundation does. I think it does excellent work. All the money the minister can spare should be sent there.

Hon. Mr. Grossman: Thank you. They have an excellent track record.

Mr. Cunningham: I have several questions relating to the Ontario government, specifically to this ministry, having shot down a couple of planes, which comprised the fleet of Ontario Worldair Limited. I believe the minister is familiar with this organization since he, arbitrarily, in my view, cancelled his commitment to guarantee credit to the company.

This action involved somewhere in the area of 200 jobs, including 40 catering jobs. This airline was involved in international charter flights, and since it included Ontario in its name it was of some public relations benefit to the Ontario government. They also paid taxes in Canada and in Ontario. I believed they experienced some temporary financial difficulties because of mechanical problems.

I am reliably advised by one of the individuals who was involved in this organization that they had a lot of business booked and that the future looked very bright for them, notwithstanding the financial difficulties, until the rug was pulled out from underneath them. Would the minister please respond to this question?

Hon. Mr. Grossman: Mr. Girvin can explain that story in depth.

Mr. Girvin: In August 1978 the government of Ontario, through the Ontario Development Corporation, issued a guarantee of \$500,000. In December 1979 a further guarantee of \$500,000 was authorized by order in council. The Ontario Development Corporation was responsible for being the agency of record on that level of assistance.

The security for that arrangement, the guarantee, was with the Mercantile Bank of Canada in Toronto. We took assignment of lease of aircraft and an assignment of the

majority of the voting shares. A floating charge was the level of security, which was not what you would call heavy security relative to that level of exposure.

The company started business in late 1978. The initial share capital was basically wiped out in 1979 on gross revenues of about \$15 million. In 1980 the losses continued and they continued quite dramatically in the summer months of 1980. On November 4, 1980, the principal shareholders had had some very general discussions with the corporation concerning what they felt was a working capital shortage. Financial information was not up to date relative to any preliminary presentation they made, and the development corporation found that on November 4 the borrowers required \$1.3 million in order to meet the 1980 commitments.

Extensive discussions were held with the shareholders and the bank in an effort to assist them in the raising of additional equity so that any request for additional exposure and assistance from the government of Ontario would have a reasonable business basis. The equity was not forthcoming, and the bank was faced with no alternative other than whether the government should supply additional support and a guarantee, with no further equity in the continuing erosion of the equity capital base and working capital position. In November 1980 a receiver-manager, Price Waterhouse, was appointed.

There was a series of discussions during the interim period of the receiver-manager operation in which the principal spokesman on behalf of the shareholders, a substantial shareholder in the company and also a principal in Strand Holidays Limited, approached the Ontario Development Corporation on January 15, 1981, with a request for a \$1-million guarantee to purchase the assets from the receiver.

We did not own the aircraft; they were leased. We had an assignment of lease, but we did not have any basic security. Our guarantee to the Mercantile Bank was for the purpose of providing working capital. The request for the \$1-million guarantee for additional working capital was declined by the development corporation on the basis that the proposal, in our opinion, did not have an opportunity for any even short-term viability if there was not substantial equity in this very capital-intensive business.

9:30 p.m.

On January 19 a trustee in bankruptcy was appointed. The receiver-manager was Price Waterhouse, and the trustee in bankruptcy was

Peat Marwick, I believe. The company commenced legal proceedings against the receiver, the bank and the Ontario Development Corporation, seeking damages concerning the actions of the Mercantile Bank in calling their loan and of the Ontario Development Corporation in subsequently paying off that guarantee. In examination of this suit, the trustee dismissed it in March 1981.

As you are probably aware, the substantial shareholder and the principal spokesman of that company during our negotiations had a quite significant difficulty with his own major operation when Strand Holidays collapsed on April 10, 1981. At the same time, the receiver-manager auctioned what assets were available to the bank, and at that time there was a successful bidder, conditional upon the transfer of the licence. At the present time, after many delays with the Canadian Air Transport Commission in Ottawa, it is now before them for what we hope will be a successful licence transfer.

The unsecured creditors will lose quite a considerable amount of money. Our exposure at this stage in the game is yet to be determined. There is a fairly complicated legal suit at the present time.

Mr. Cunningham: Who is suing whom?

Mr. Girvin: This boils down to the legal arrangements with one of the leased aircraft. It would appear that there would be an opportunity for the government of Ontario to have a partial claim, I believe through Itel Leasing and Marine Midland Bank, because of a lack of registration on one of the leasing arrangements. It is a security position we did not have, but it is quite a complicated situation.

Mr. Cunningham: You might get another plane.

Mr. Girvin: Certainly it would help our position, but that probably will take about a year or a year and a half as far as the outcome on that is concerned.

Mr. Cunningham: What do you think the province is out on this deal?

Mr. Girvin: I really do not know at this stage. There has been a sale of certain assets, such as aircraft equipment, in the vicinity of approximately \$250,000 to \$300,000. In something that has been as complicated as this, I think we would have the bottom line in about a year as far as the actual proceedings are concerned.

Mr. Cunningham: I gather about 200 employees were prepared to personally commit them-

selves to the purchase of this proposition, what was left of it. In your view, was that determined not to be viable?

Mr. Girvin: The employees were represented by the owner of Strand Holidays as the leading spirit and entrepreneur relative to any proposals that were being made to the receiver. It was our feeling that as there were problems with Strand Holidays, which we were familiar with, the ongoing viability of that situation was quite precarious as far as that particular proposal was concerned.

There were a substantial number of meetings with the airline employees who were represented by a number of the captains. In the attempt to sell the entity as a going concern, Price Waterhouse was extremely close on a couple of occasions with appropriate, experienced and well-financed personnel, but the deals were never consummated. It was something that we were extremely interested in in order to keep an Ontario airline going.

Mr. Cunningham: From my point of view it is a shame. I do not mean to allocate blame, but at this point we do not have an independent Ontario carrier in this regard. I stand to be corrected unless something has happened.

Mr. Girvin: There is Great Lakes.

Mr. Cunningham: Are they doing large international charters?

Mr. Girvin: No.

Hon. Mr. Grossman: They are not taking tourists out to other nations.

Mr. Cunningham: That is what I had in mind. When these people take those planes somewhere else they have a tendency to bring people back here.

Hon. Mr. Grossman: Not enough of a tendency in the case of Ontario Worldair.

Mr. Girvin: It was a difficult situation. Mr. Cunningham, I was appointed to my present capacity in ODC on December 15, 1980. It was a very interesting baptism. Decisions had been made and it was a situation which was difficult, but we think it was handled in the best interests of the taxpayers, the corporation and the government.

Mr. Barlow: I have three questions I would like to deal with, Mr. Chairman. They are all short, so please do not be alarmed.

First, the Volkswagen relocation into Ontario of course went to Barrie. Cambridge was a contender. Volkswagen held an option on a large acreage there—I am not sure how much it

was—for something like a year's time. The grant that was given by the province to the city of Barrie concerns me and concerns members of city council who approached me on this, Mr. Minister.

Their concern is that if such a grant is to go for servicing of land and so forth, in what sort of bargaining position is it going to put Barrie for future industrial expansion? In other words, when industrial land in Cambridge that Volkswagen was going to locate on was serviced, it was all taxpayers' money that went into that. With the assistance that Barrie has received, is it going to put them in a bargaining position so as to be able to sell serviced industrial land at a lesser amount per acre than other communities in Ontario?

Hon. Mr. Grossman: The cost of serviced industrial land varies from community to community. ODC and the government through various mechanisms have assisted in a lot of that industrial serviced land. It very much depends upon the municipality. In the central Ontario corridor, and I say generally speaking, the cost of land is within a reasonable range. There is not an incredible variance in terms of the value and cost of the land. In the case of Volkswagen, as you know, the ultimate decision had nothing whatever to do with the cost of land.

Mr. Barlow: No, I realize that.

Hon. Mr. Grossman: By and large, I would say that to the potential customers, the potential users of land in the central Ontario corridor and the southwestern Ontario corridor, generally speaking the cost of land is not the single key factor. I would say, all things being equal, had available plant been ready and set to go, as was the case in Barrie, Cambridge may well have acquired the Volkswagen plant, as you know.

The short answer to your question is that I do not think, Barrie versus Cambridge, that Barrie will beat Cambridge to any specific investment on account of any specific government moneys going to provide serviced industrial land at a lower cost. I do not think that is going to be a factor.

9:40 p.m.

Mr. Barlow: It is kind of nice to be able to respond to the question that has been raised with that assurance. I feel that will give me some assistance in responding to the municipality. Now the second question is on the shoe industry. The Shoe Manufacturers Association of Canada is in trouble because of decisions made by the federal government in their quota system.

I have had a few conversations with Don MacLeod, the past president of the Shoe Manufacturers Association of Canada. He is president of Savage Shoe Limited in Cambridge. Their concern is the number of diminishing jobs in the industry. He feels that in order to stay in business now a lot of the shoe companies are going to have to cut back on a lot of things, including their work forces, as such a large portion of the market is going to imports from other countries, though not necessarily US—probably offshore more than the United States.

Apparently, Quebec is taking a very high profile stand at the federal level to try to assist the shoe industry. Quebec is probably the leading manufacturing province in Canada of Canadian shoes, followed by Ontario. I believe Mr. MacLeod has been in touch with you and talked to you.

Hon. Mr. Grossman: Yes, he has.

Mr. Barlow: I am just wondering whether you have any thoughts on what the province could do to assist the shoe manufacturing industry.

Hon. Mr. Grossman: The industry was in touch with us at an earlier stage, and our ministry has been working together with them over the past several years. We anticipated some of the decisions made in Ottawa, which we think were not helpful.

I should read to you the telex sent by the Premier (Mr. Davis) to the Prime Minister on November 17, 1981. I quote directly: "I understand that your government is on the verge of announcing new measures of support for Canada's footwear industry. As you know, over half of all Canadian employment in this industry is located in Ontario with some significant regional concentrations within the province.

"Given the competitive realities facing this industry, especially from low-wage producers, I feel strongly that a comprehensive system of restraint will continue to be required in order to maintain the health of this industry. This will require, as a minimum, continued restrictions on key suppliers. However, to be truly effective, it will be essential also to beef up Canada's surveillance and monitoring mechanisms to ensure that Canada is equipped to take rapid action in cases where import disruption occurs and to deal effectively with adjustment and modernization in the industry.

"I trust that when the federal measures are announced, they will reflect these fundamental elements that are essential if this industry is to continue to maintain its viability and improve its productivity and efficiency." End of telex.

In essence, the Ontario position was clarified after we were able to look at what the federal government did, notwithstanding the Premier's telex. It is fairly straightforward that there should be at least a temporary extension of the existing system of global quotas on both imported leather, which were removed, and synthetic footwear for at least a period of six months to allow more time for input.

Secondly, the continued extensive monitoring of footwear imports should go on as provided for under the export and import quotas. Thirdly, in this period of extension of the existing system, intensive consultations should occur with the industry and other parties once again.

Mr. MacLeod has been trying to bring that case forward to Ottawa and to date has not met with much success. As a result, I hope to meet with him and the footwear industry next week to discuss the matter further and see what we can do to bring more pressure to bear on the federal government for this precipitous action.

Mr. Barlow: That is good. That was going to be a supplementary really. Could you possibly meet with the footwear industry at an early date because I understand they have a meeting with Mr. Herb Gray on Friday, December 18?

Hon. Mr. Grossman: Yes, next Friday. We are going to try to see them before that time.

Mr. Barlow: That would be good. I would appreciate that. I believe that meeting should include management, labour and the whole spectrum of the shoe industry.

Hon. Mr. Grossman: Yes. Mr. MacLeod is arranging it.

Mr. Stokes: You never mentioned the name of the company. I have to buy a pair of shoes.

Mr. Barlow: I said it earlier. Actually, their prime claim to fame is baby shoes. They would hardly fit you. They are also in the Florsheim.

Mr. Stokes: They make other shoes.

Mr. Barlow: They make other shoes, but their main claim to fame is baby footwear.

I have one other very brief question. I just wonder if you could bring me up to date on anything new at Canadian Admiral.

Hon. Mr. Grossman: Discussions are still going on. The negotiations continue and have been lengthy, which is not a bad sign. It means a lot of people are very serious about the operation and have obviously seen fit to spend a lot of time and money in negotiations. The plants remain, as you know, as complete units; they

have not been dismantled. We are continuing to stay abreast of those discussions, which are continuing in various locations, depending on where the departments are. Governments are involved and continue to work at it.

When the situation first arose, I expected it would take a minimum of four to six weeks. I think we are now somewhere between four and six weeks. It may be longer.

Mr. Barlow: So it is ongoing, and that is a good sign.

Hon. Mr. Grossman: It is.

Mr. Barlow: I know you are not making any predictions. You never have in this, and I do not blame you.

Mr. Cooke: Thank you, Mr. Chairman. I want to talk just very briefly about this government's strategy in the auto industry. I want to start by indicating I do not really see it as strategy at all. I really fail to comprehend what your strategy is in the auto area. The auto tech centre is a good beginning, but this is not a commentary on your centre because I do not know what the mandate is. I do not know exactly what the centre is going to be doing to make that kind of a judgement. In principle, it is certainly a good first step. I said that when you made the announcement and even encouraged you to do it before you made the announcement.

Hon. Mr. Grossman: I do not think that is accurate, but let us go on.

Mr. Cooke: What I want to ask you is, what are you going to do with the research and development that is done? How are we going to upgrade our auto parts plants when basically the large amount of production is from the foreign subsidiaries, with many of them closing because the tariffs are going to be going down? I know that does not play into the auto pact, but it does play into replacement parts.

I was surprised when I talked to some people in the auto parts industry. I never thought of Champion Spark Plugs, a company in my riding, as one that would be moving out. They really wonder whether they will be around in five years basically because of replacement parts.

We have put forward the position of our auto parts crown corporation to co-invest with some Canadian-owned firms. When we develop the technology, if we do not have the market for the new parts and if we do not upgrade our plants at the same time—and I do not see a strategy to get into that—the bottom line is the one pointed out by Mr. Bennett, the outgoing president of Ford.

He said quite clearly that if we do not have content legislation in this country, we are not going to have an auto parts sector.

I know content legislation is out of your jurisdiction. I know it is something Mr. Gray has to deal with, but I really feel strongly that this government should go on record and put together in writing a total automotive strategy for our province. Most of the automotive companies and most of the automotive jobs are here in Ontario. The basis of that strategy certainly has to be co-investment in the auto parts firms to upgrade the plants so that we can use the new technology that is now available and any other technology developed through our research and development centre. We have to get content legislation so that we can actually get the market for the new parts and be assured we are going to get our fair share.

9:50 p.m.

I cannot understand why you, as Minister of Industry and Tourism, are not kicking and screaming and using every political ploy and every bit of pressure you can use on behalf of the biggest manufacturing province in this country to make Herb Gray bring in content legislation. The deal he worked out with Volkswagen with 85 per cent CVA is not a bad deal, although I would like to have seen work up to 100 per cent CVA. We will forget it is a branch plant. That part of it we have to live with because that is what the federal government is going for and that is what you are going for.

We should be looking at content legislation that would even override the auto pact. If we cannot get the auto pact to work properly, then let us take a look at content legislation as an alternative. Even the Big Three or the Big Four have to live up to content legislation much higher than 65 per cent, which is what it basically works out to in the auto pact now.

I do not see an auto strategy. I really do not know where you are heading or where you would like this industry to head and how you expect to get there, other than your one part of BILD that relates to the auto industry, namely, the auto parts tech centre.

Hon. Mr. Grossman: I do not think there is a great deal to be gained by us writing down in one single book all the initiatives which you know we have mounted. To be fair, you have been quite supportive of some of them. You have named some you have been supportive of, such as the initiative we took to bring SITEV to Toronto. I know you have supported our

positions in asking for publication of compliance with the auto pact. You have been supportive of our calls for balanced trade, 100 per cent CVA, and I think you have been supportive, by and large, of the duty remission program.

Mr. Cooke: Duty remission has to be one of the cornerstones of an auto strategy if we are to get our auto parts firms up.

Hon. Mr. Grossman: I would argue you are supportive of a large part of our auto strategy, as it were. I do not think codifying it in a particular publication or a particular book would make us any better off or any worse off, other than to permit us to stand up and say—

Mr. Cooke: The goals are one thing; getting there is another thing. I do not know how you plan on getting to the 85 per cent or the 100 per cent CVA. Even if we were able to get there, we would not have a prayer of being able to meet the demand with our auto parts sector in the shape it is in now.

Hon. Mr. Grossman: You are not entirely wrong when you say that. It is one thing to push the federal government, as we have been, to strike a better deal with the Americans. You know how difficult that is going to be. I am not here to defend Mr. Gray; that is not my habit. Obviously anyone is going to have a hard time renegotiating or looking for changes or slight alterations, whatever one wants to call it, in terms of the auto pact with the Americans. It is going to be difficult.

If they did get them, there would still be a very severe problem. The problem is made worse by the fact that it is not the same type of situation you and I and others have been speaking of for very many years. It is simply a question as to why more of the auto parts are not made here as opposed to south of the border. I think the major concern for North American auto parts producers is whether the auto parts are going to be produced in North America at all. Clearly, as the world car becomes more and more of a reality, the alternatives for sourcing some of those auto parts offshore is becoming closer at hand. The Big Three are certainly looking offshore for auto parts that traditionally they looked to North America for.

Let us be honest. It is going to be a problem in terms of the very advanced technology of the Japanese, hiding behind an essentially closed market and a tremendous government or public subsidy because of the enormously high price

consumers were forced to pay for cars. That technology is all being developed in Japan due to those mechanisms. That is a reality.

Mr. Cooke: Why do we let them get away with it?

Hon. Mr. Grossman: I will get to that in a second. We have that technology problem to grapple with at the same time as more and more countries, South American countries, Mexico and Spain, are getting into very low wage auto part production. Those are two pressures which will be very difficult for North America to withstand. It is not going to be easy. You asked why we let them get away with it, and I must say I do not know why.

Coincidentally, I was listening to the radio on the way over this evening and heard Mr. Gray talk about beginning negotiations with the Japanese for next year. He said he was not sure whether the import level for Japanese cars coming to Canada would be the same as last year or, if you can believe it, higher, or whether it would be lower. It seems to me that the auto industry situation in Canada has worsened; so I cannot see why the federal government would be entertaining the option of allowing more Japanese vehicles in next year.

Mr. Cooke: I think you should be literally kicking and screaming. The auto industry is falling apart. Yet I rarely hear you talk about Canadian value added in content legislation except when a question is asked about it in the House, or we discuss it here in estimates or you mention it occasionally in a speech. Ontario has an incredible amount of political power in this country and you could do a lot more than you are doing.

Hon. Mr. Grossman: I must reject that very last remark, that we could be doing more. Once you have stood up and said it in a position of responsibility, when you repeat it you have to do so in a reasoned way. Shouting and screaming will not do it. Articulating it fairly well with well thought-out background papers and a lot of homework done is the way to do it, and I like to believe that is the way we have done it.

We have also been working at the civil service level with people in Ottawa. I think they would acknowledge that the papers we have submitted and the background material we have contributed, have been most helpful because they were well reasoned and informative. We have brought pressures to bear on Ottawa, both publicly and privately. We have done in a responsible way, not in a way that emphasizes to potential foreign

investors that the situation is really out of control in this country. It is a delicate task for us but I, for one—and I know you disagree—am pretty comfortable with our actions in this regard.

Mr. Cooke: Maybe we can close the back door. One of the obvious problems, at least on the political level, is that there certainly does not appear to be a good working relationship between the provincial government, represented by yourself, and Mr. Gray.

The BILD program and how it relates to Ottawa and the various tech centres is a very good example. We have had all sorts of press clippings come across our desks. We probably get more of them in Windsor because that is where we are stuck with Mr. Gray. He talks about the auto parts tech centre, saying that he is not going to participate in that and might do his own because we cannot come to an agreement on where the site should be.

He talks about the centre for computer-aided design and computer-aided manufacturing and says exactly the same thing, that there is probably going to be some form of a robotics centre set up in Windsor which, in effect, will almost compete with your centres. Certainly we will not be working together in the way that we should be working together at the provincial and federal levels for some kind of an industrial strategy in this province. This constant competition is not good for our economy.

Mr. Laughren: It is the same thing with mining machinery.

Hon. Mr. Grossman: I can only report for my end of things. Immediately upon Mr. Gray's appointment to this post around the spring of 1980, I contacted his office—I had never met the man—and asked if I could come up and see him in order to discuss the obviously common points of concern, of which Chrysler was one.

10 p.m.

We had a two-hour meeting, which was off the record and intended simply to open the channels of communications and establish the points at which we could agree, and to establish a personal relationship, which I had hoped would carry on. Through the Chrysler negotiations he and I spoke almost daily for several weeks. By and large, though we obviously disagreed on the ultimate resolution of it, for our part that meeting reflected the relationship. I had my opinion of what ought to be done and he had his. I respected his view and I would like to believe he respected ours.

Mr. Cooke: It is getting to be ridiculous when the federal minister calls the press gallery at the provincial Legislature to say that you got too much credit on the Chrysler deal because you did not participate. I do not know whether you called the federal press gallery or not.

Hon. Mr. Grossman: I do not even have their phone number.

Mr. Cooke: Then there were the articles that appeared. Here is a quote from one of them: "Grossman said it would be ludicrous for both levels of government to proceed with separate robotic centres, but Gray sounds less enthusiastic about pumping federal money into provincial projects. 'We have to operate in a way that fits in with our own sense of priorities,' he said. 'We cannot simply fund something in an initial form considered most suitable by the provincial government.'"

Hon. Mr. Grossman: On the subject of BILD, which you also raised, the Premier (Mr. Davis) wrote the Prime Minister from day one when the BILD initiatives were announced, listing those specific initiatives which include the auto parts, robotics and CAD/CAM centres, asking for federal funding. Civil servants have met on very many occasions at the highest level to discuss those. Mr. Gray and Mr. Olson met with Mr. Miller and me here to discuss a variety of issues, and we raised the BILD items at that time.

On the Volkswagen situation, where once again there seemed to be some tension, we were constantly in touch with the federal government. I am fairly sure I spoke to Mr. Gray at one stage of the Volkswagen situation. We took every step to ensure that the federal government knew that, in our view, it was getting far past the critical point. Really, they were forewarned that at some stage this was likely to break out into the public domain because of the enormous concern being raised by Cambridge and Barrie that the entire deal was going to disappear if some decision was not taken in Ottawa.

You will recall that I did not put it into the public domain, but we did see that the danger of that existed. We called Ottawa and reached, I believe, the ministerial level and the deputy minister level. However they were going to sort it out, we encouraged them to deal with the situation in such a way that it did not cause a public problem. I very much regret any perceived or real difficulties. I do not think it is helpful and I can only say we have been conscientious in our efforts.

Mr. Cooke: Your statement announcing Volkswagen could not have helped the situation. However, I have heard your explanation about what happened at Volkswagen, I have talked to Herb Gray about his explanation, and it is obvious that there is no love lost between you. There may be all sorts of personality conflicts; I am sure there are in government. However, this seems to be having an effect on planning and co-operation in Ontario.

For example, the industry and labour adjustment program has some positive points in the long run as a program. But there does not seem to be any provincial input regarding the areas which are designated for ILAP. It seems ridiculous that the federal government should designate these areas. From what I know of it, the diversification program you have in Brantford appears to be a good idea for a community to get into. ILAP would plug into that program very well in the long run.

Are you ever consulted on ILAP or do you demand consultations? You make your political move, which was BILD, and Gray makes his, but they do not seem to be plugging in together at all.

Hon. Mr. Grossman: I can say sincerely that we have made every effort to allow that to happen. On ILAP, we did ask the federal government to include Brantford. I know it is a matter of opinion and hard to assess from the outside, but I believe it is fair to say we have a good track record in the interprovincial programs which were mounted by this province. I have been able to visit and strike some sort of arrangement with my counterparts across this country.

I think I have quite a good relationship with ministers and members of all political stripes. We have worked hard at it. But with or without a good personal relationship, there is the matter of professional responsibility, and I have always expected that same sort of professional attitude to prevail among my counterparts, whether they are in the Parti Quebecois or in the NDP in Saskatchewan, or indeed with Alberta's Mr. Planche, with whom I had a very rough meeting initially, although we were able to conduct ourselves professionally throughout.

In spite of the lack of a personal relationship, we continued discussions to the point that we now have some agreement in principle on some initiatives. This was established simply because we were not going to allow any difficult meetings, any disagreements over oil prices or anything else, to interfere with our responsibility.

ity to our electorates, which was to deal with each other, to do our best to get along and to co-operate with other levels of government.

Mr. Chairman: Gentlemen, I would point out that the time has expired.

Mr. Cooke: Let me ask one final question, which I am sure the minister will want to answer.

Mr. Chairman: I am not so sure.

Mr. Cooke: I want to know the status of the negotiations between Massey and Chrysler and the two governments to establish the diesel engine plant.

Hon. Mr. Grossman: We are working very hard on that. I can say quite comfortably that I believe all parties will confirm to you that the Ontario government is most anxious to—

Mr. Cooke: Where is the holdup? What is happening? There is a market and the project is feasible. Why isn't the plant being retooled?

Hon. Mr. Grossman: I am anxious to be constructive in not identifying where the holdup may be. That is a matter of judgement. But I can assure you that this government is not a problem in any way whatsoever in that transaction.

In 30 seconds, before the estimates finish, may I say I was particularly sensitive to the fact my estimates were on at this time. I tried to get the announcements out on the tech centres well in advance of estimates. One of the scenarios we were working towards as late as earlier in this week was for an announcement that was to be made this afternoon, which would have given the members of the committee the opportunity to go through some of the decisions which had been made. I think it would have been helpful to everyone, including the municipalities that will not be successful, to hear the points of view and some of the concerns expressed.

I am not sure when we will complete our negotiations on the various centres, but I would be receptive to suggestions. I suspect it was made in jest, but none the less I am sensitive to the suggestion that there was an effort made to defer any announcements until after estimates. I would have been delighted to review them at estimates. I do not know when our concurrences might be; there may be announcements before concurrences. I regret the fact that the technical centres were not announced prior to estimates because it would have made it easier for us to explain them. I would have been more comfortable with that.

I apologize to members of the committee for not being able to have those announcements out, but it was not out of malice, nor was it intentional. We simply did not complete the work in time.

Mr. Chairman, as always, I would like to thank the members of the committee for the input, advice and mostly constructive criticism they have offered us.

Mr. Chairman: Thank you, Mr. Minister. On behalf of the committee, we would like to thank you and your competent staff for attending and participating in the estimates.

Votes 2301 to 2303, inclusive, agreed to.

Mr. Chairman: We have already carried vote 2304.

Votes 2305 to 2307, inclusive, agreed to.

Mr. Chairman: Thank you, gentlemen. This concludes the estimates of the Ministry of Industry and Tourism. We shall meet Monday evening at eight o'clock for the Ministry of Transportation and Communications estimates.

The committee adjourned at 10:08 p.m.

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- Girvin, J. D., Executive Director and Chief Executive Officer, The Development Corporations
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Ontario. *LEGISLATIVE ASSEMBLY*

No. I-14

Legislature of Ontario Debates

Official Report (Hansard)

**Standing Committee on Regulations and
Other Statutory Instruments**

Estimates, Ministry of Transportation and Communications



First Session, Thirty-Second Parliament

Monday, December 14, 1981

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Monday, December 14, 1981

The committee met at 8:05 p.m. in committee room No. 1.

ESTIMATES, MINISTRY OF TRANSPORTATION AND COMMUNICATIONS

Mr. Chairman: Gentlemen, we have a quorum.

What I want to put before the committee members is how we are going to allocate the time for these estimates.

As you are aware, 12 hours have been allocated to estimates for this ministry. If we just sit our regular hours this week—this evening, Thursday morning and Thursday evening—that only comes to something like seven and a half hours.

Is it the consensus or the wish of committee members that we sit the full 12 hours, or do you think we will be able to go through the items with time allocated to each vote within the seven and a half hours? What are the opinions of the committee members on that?

Mr. Mancini: Mr. Chairman, I suggest we plan to sit the full 12 hours and then if it turns out we do not need the 12 hours, fine, we can wrap it up early. I do not think it would be fair to the members of the Legislature and to the members of this committee, or to the minister, who spends more than a billion dollars, to give a quick once-over to his estimates just because it appears we may be short of time.

I would recommend we plan the 12 hours and if it ends up that we only need eight or nine and possibly less then I would be willing to wrap it up.

Mr. Chairman: If we are going to plan some extra time, I think we had best do it this evening, because we are going to be running out of time.

Mr. Samis: Is there time this week, Mr. Chairman, beyond the allotted seven hours in the first place?

Mr. Chairman: The only time I can think of is possibly after question period tomorrow afternoon or tomorrow evening, if we can get some consensus, by way of a motion in the House because it is not on the Order Paper.

We could do that possibly, if it is the wish of

committee members. We can ask the House leaders if we can get that done, if the minister is available, of course.

Interjections.

Mr. Hennessy: You will not be available tomorrow afternoon?

Hon. Mr. Snow: No, I have two major meetings on tomorrow afternoon. One is a delegation coming in to meet with the Premier (Mr. Davis) and myself, which makes it very difficult for me not to be there.

Also, Mr. Chairman, I have the problem that I have four bills on the Order Paper as well, which the House leader is trying to schedule in committee. I do not think they should take too long, but they do have to have some time to do those bills in the House when the committee is not sitting. I am told they will not be on tomorrow.

Mr. Hennessy: Mr. Chairman, may I suggest we take the seven hours and instead of cutting 12 hours down to seven, we will just add on a few if necessary. We know we have seven hours. If we could finish in seven hours—

Mr. Samis: The only day you can add on time is tomorrow.

Mr. Chairman: The problem with that is, Mr. Hennessy, we are going to run out of time on Thursday evening at 10:30 or 11 o'clock. I think we should get some consensus now as to how we are going to proceed.

Mr. Samis: Can I get it clear as to the minister's arrangements tomorrow night? Tomorrow afternoon is out, what about tomorrow night?

Hon. Mr. Snow: Tomorrow afternoon is out, really, with other commitments I have. I would prefer not tomorrow night, but it could be. What about Wednesday morning?

Mr. Samis: When do you expect the legislation to be on?

Mr. Chairman: I am informed by the clerk that there are no committee rooms left on Wednesday, because there are already four committees meeting on Wednesday. So Wednesday is definitely out.

Mr. Samis: Tomorrow night is the only option.

Mr. Eaton: There are committees sitting in the morning that are not sitting in the afternoon.

Mr. Chairman: Also the Conservative members on this committee are also members of the general government committee, which sits all day Wednesday.

The only time I can possibly see is either tomorrow evening, or possibly Friday morning; but Friday morning is no good because the House is going to be sitting and there is question period until 11:30 or so.

Mr. Samis: Can we make some effort to find out about tomorrow night then? It seems to be the only option left.

Mr. Chairman: If the committee members choose to leave that with me, I will see if we can get permission to sit tomorrow evening, if that is agreeable.

Mr. Mancini: Mr. Chairman, were we not aware of this problem before?

Mr. Chairman: Yes, we were. I raised the problem about three or four weeks ago.

Mr. Mancini: With whom?

Mr. Chairman: With the clerk, who raised it with the House leader.

Mr. Mancini: What response did you get?

8:10 p.m.

Mr. Chairman: The response I got was that we were going to have to, if need be, sit some time extra this week, but no specific time was—

Hon. Mr. Snow: We were supposed to start last Thursday night and for some reason or other—I do not know what, Mr. Chairman—Mr. Grossman, I guess—

Mr. Chairman: Mr. Grossman's estimates were still running.

Hon. Mr. Snow: Mr. Grossman was supposed to finish before that and we were supposed to get started last Thursday night. We were all ready to go and then we were told we could not start until tonight. We would have had another two and a half hours if we had started last Thursday.

Mr. Mancini: Mr. Chairman, the only thing I shall say to you is that this is a very unpleasant situation and it is up to the clerk and to the House leaders to establish time for these estimates. Surely it should be done on a more efficient basis than this. To ask the 10 or 12 of us who participate actively in this committee when

we could all find time to be here, together with the minister and his busy schedule and all of that, I think is completely impossible.

Mr. Chairman: With all due respect, Mr. Mancini, the committee sits only so many hours. The committee sits seven and a half hours a week as it is now, which is a rather healthy load for any committee to take. You only have so many hours and when you have more hours than that allotted to the committee it is quite obvious you have to find some extra time to sit.

Mr. Mancini: My point is that if you had raised this with the proper officials three or four weeks ago, then surely they could have been more helpful to you. That is the point I am trying to make.

Mr. Chairman: Also I was going to raise it last Thursday, but I was quite aware that the critics for the Ministry of Transportation and Communications were not necessarily the same committee members who were here when we were discussing Industry and Tourism, so I could not see much point in discussing it with those committee members at that time.

Interjections.

Mr. Eaton: Two and a half hours tomorrow night and two hours either Thursday morning or Friday morning and you have it. You need four and a half hours more.

Interjections.

Mr. G. I. Miller: Mr. Chairman, why not sit Friday morning? On the last day the House quite often finishes late in the afternoon.

Mr. Chairman: I will approach—

Hon. Mr. Snow: After we get these estimates through the committee they have to be referred back to the House to get concurrence.

Mr. Mancini: You might have to give another speech there.

Hon. Mr. Snow: Two and a half hours right there.

Mr. Samis: When will you let us know, Mr. Chairman, about tomorrow night?

Mr. Chairman: There obviously will be a motion in the House tomorrow afternoon if we are going to be sitting tomorrow evening. Okay? If you will leave that with me, I will try to get us on for tomorrow evening.

Mr. Mancini: I will do this, Mr. Chairman—and maybe Mr. Samis can do the same. Tomorrow, when we have our caucus meeting, I shall bring up this problem and I shall see just how many members of the Liberal caucus wish to partici-

pate in these estimates. If it appears as if the interest is not as great as it has been in the past, maybe this discussion is academic.

Mr. Chairman: Okay. If we get two and a half hours in tomorrow night, we will be extremely close to our allotted time in any event.

Very good. I will now turn the meeting over temporarily to the honourable Mr. Snow, for his opening statement. Then we will hear from the two opposition critics.

Hon. Mr. Snow: Thank you very much, Mr. Chairman and honourable members. I am pleased to be back again to present my estimates to the committee—this time the 1981-82 estimates of the Ministry of Transportation and Communications. This year too they are presented to the standing committee on regulations and other statutory instruments. It is the first time we have presented the estimates to this committee.

For the information of the committee, I shall be referring to two documents prepared by the ministry. One is the 1981-82 estimates, which were sent to you several days ago; the second is the Strategic Planning Guidelines, 1982-87, being tabled tonight; and I will comment on the second document later in my remarks. I believe the blue books are here, which we will be distributing.

As many members are aware, the Ministry of Transportation and Communications is a broadly based and comprehensive ministry, with responsibilities in virtually all facets of both transportation and communications. To fulfill these broad responsibilities the ministry has an annual budget in the order of \$1.25 billion. Fully one half of this budget is allocated to the municipal level of government in Ontario.

The Ministry of Transportation and Communications employs nearly 10,000 people throughout the province. Three quarters of these people are employed in the district and regional forces at such locations as London, Thunder Bay, North Bay, Kingston and Toronto—those are the regional offices—and at other smaller centres throughout the province, in 18 regions, where they are responsible for the delivery of the services the ministry provides.

The ministry operates on a highly decentralized basis with the head office staff being kept to a minimum. Those in head office are involved in policy development, deliver programs which do not have field delivery forces and provide specialized assistance to our regional and district organizations.

If I may I will just go over the ministry

programs briefly. Because there are many new members of the Legislature this session and because we are appearing before a committee which normally does not deal with our estimates, I would like to outline briefly the various programs of the Ministry of Transportation and Communications. My ministry has specific programs, laid out in your budget books, in safety and regulation, provincial highways, provincial transit, municipal transit, municipal roads, air, rail, marine and pipeline, and communications.

Through the safety and regulation program the ministry provides direction, formulates and implements the government's policies related to the safety and regulation of the movement of people and goods on our highway and road network. The ministry licenses all motor vehicles operating within Ontario and examines and licenses the drivers of these vehicles. In addition, the ministry requires the regular inspection of trucks and buses for mechanical safety, as well as requiring the inspection of automobiles on a selective basis, such as when a change of ownership is involved.

The safety and regulation program also formulates and implements policies related to the Public Commercial Vehicles Act and the Public Vehicles Act dealing with issues related to the trucking industry and for the intercity and school bus industries.

A further responsibility within this program area is that of the province's safety co-ordinator. This office ensures the safety of the public utilizing the highway system by co-ordinating the efforts of the ministry, the Ontario Provincial Police and the Ministry of the Solicitor General.

The ministry executes its responsibilities in the provincial highway program by providing funding for the planning, design and the construction of the primary and secondary highway network. The ministry ensures the movement of goods and the safety of the travelling public through the maintenance of these highways, both in the summer and particularly in the winter when snow removal and sanding is a major contributor to travelling safety.

In northern Ontario, the Ministry of Northern Affairs provides the funding for the construction of the highways while MTC provides all other services. I am certain I do not need to elaborate on the significant role the highway system has played in the development of this province. The highway system not only is vital for the free movement of the private automobile, but for access to communities by bus

services and for the delivery of goods and services by the trucking industry and by utilities and service industries.

The highway system is essential for the conduct of business throughout the province and most particularly for the industrial exports to other provinces and the United States. The economic development of this province relies heavily on the continued maintenance and development of the provincial highway system.

The road systems in our municipalities are equally important to the province. Through the municipal roads program we provide capital and maintenance funds to ensure the adequate provision of road facilities by the municipal level of government in Ontario. The resulting municipal roads network both complements and enhances the other transportation component and the provincial roads network in particular.

The municipal roads program covers all types of roadway from the upper-tier major arterial roads to the smallest gravel township road within the province.

The municipal transit program is another vital component of the transportation network of Ontario. In the order of 60 transit systems are provided with capital and operating assistance so that the travelling public in these municipalities has a choice of transportation services. These services may include bus or a high-capacity type of transit such as the Toronto subway system, the ICTS system currently operated or being planned within Metropolitan Toronto.

An element of this program is to provide funding for demonstration projects in the technology and service of the travelling public areas. An example of this might be the Telerider system that has been successfully implemented within Mississauga and the soon-to-be-introduced articulated buses.

8:20 p.m.

Under the municipal transit program, the ministry also provides funding for the transportation of the physically handicapped. This is of particular significance this year, the year of the disabled. The ministry's program continues to make considerable advances and contributions in this area.

In the provincial transit program the Toronto Area Transit Operating Authority—GO Transit—was created to operate interregional commuter rail and commuter bus services in the Toronto-centred area. I would comment that this has been done with some high degree of

success. The ministry ensures the provision of these services by providing GO Transit with both operating and capital funds. The ministry is also responsible for the advanced planning of the commuter services GO Transit provides.

The air program is a program in which we can all take justifiable pride. Financial assistance is provided for the improvement and maintenance of municipal airports both in southern and northern Ontario. The program is also responsible for airports in the remote communities in the far north of Ontario. The Ministry of Northern Affairs provides funds for the initial construction of the remote airstrips, while my ministry undertakes the construction and subsequently operates and maintains these facilities.

My ministry also provides technical support for the Ministry of Northern Affairs regarding norOntair. This year it is celebrating its tenth anniversary.

The service of norOntair has done much to enhance the economic development of the north. It is highly regarded as an example of what can be achieved with these types of services. I believe norOntair is a particular credit to the Ministry of Transportation and Communications which initiated the service, to the Ministry of Northern Affairs which now provides the necessary funding and leadership, and to the Ontario Northland Transportation Commission which operates the service.

We have had visits from ministers of transportation from other provinces—just recently from the province of Newfoundland—to get details on our norOntair program and our northern airports program.

Marine and pipeline: this program's main concern is the Great Lakes and the St. Lawrence Seaway system. An office was established last year to be the focal point in co-ordinating and developing Ontario's activities related to the Great Lakes and the seaway. Using the work of the Great Lakes/Seaway Task Force, the marine office works closely with the federal government and the many marine interests in the province and, as appropriate, maintains a liaison with Great Lakes authorities and other interested parties in the USA.

The office is also responsible for government matters involving the use of the pipeline as a transportation mode within the province. This is a policy area which is still under development.

The rail office was also established in 1980 to respond to our concerns relating to issues in the rail mode and in recognition of Ontario's

interests in all modes of transportation that provide services to the residents of this province. It is the responsibility of the rail office to develop Ontario's positions and policies with respect to rail services and needs.

Through this office we intend to ensure the province's influence and active presence in all aspects of rail transportation and to assist in promoting the development of a suitable rail passenger and freight system in Ontario. The recent report of the task force on provincial rail policy is being used as one basis for establishing these policies.

Such issues as rail abandonments, freight rates, rail safety, intermodal facilities, regional development objectives and rail passenger services are all areas for active consideration by the rail office.

I will turn now to the program which makes up the other half of the ministry name, communications, although it is not half of the budget.

The communications program was established in 1972 to ensure Ontario has the appropriate policy positions formulated for all aspects of communications affecting this province. In particular, we intervene on behalf of the people of Ontario and influence decisions which have been made by the federal level of government. We are concerned about the telephone services, business communications and television, radio and cable services supplied to the people of Ontario.

In addition, through the Ontario Telephone Service Commission the province reviews and adjudicates applications for rate increases and expansions of or reductions in service for the independent and municipal telephone companies in Ontario. At last count, there were some 32 private or independent telephone companies under our jurisdiction.

The ministry also provides funding to provide power supplies for telecommunications purposes in the remote northwest parts of the province. Several years ago, we were involved in helping install the basic telephone system used by the residents of that vast area.

As is evident from these programs and activities, MTC is an extremely active policy, funding and program delivery arm of the government. It is through these programs that the ministry pursues the transportation and communications interests of the people of Ontario and ensures this interest is undertaken in a comprehensive, equitable, balanced and intermodal manner.

Strategic planning—which I mentioned earli-

er: In considering transportation and communications activities, the ministry has to be, and is, looking towards the future in all its activities, both within the program areas and at the corporate level.

In this regard, I commend to the committee members the ministry's Strategic Planning Guidelines. This document has been developed through a comprehensive policy-planning process which has been in place within my ministry now for several years. Our planning process is highly regarded throughout the government and the private sector as being comprehensive and an appropriate planning mechanism for this time of dynamic change.

It is through this planning process that MTC both plans and manages its funds and advises the government on the appropriate direction for the future.

I would point out the Strategic Planning Guidelines tabled here tonight relate to the fiscal years 1982 to 1987, rather than the fiscal year we are examining in these estimate discussions this week. The guidelines for this current 1981 year were tabled with the standing committee on resources development last year when I presented my estimates.

Future challenges: Notwithstanding the detailed discussion to follow as the committee looks at our estimates, I would like to highlight several of the challenges in the transportation and communications areas I visualize as being important to the ministry and to the province. Many of these relate to economic development because of the fundamental importance of the economy to the future of this province.

The Ministry of Transportation and Communications not only recognizes the need for stimulating the economy, but accepts this as an area of vital responsibility for the ministry. To help stimulate economic development, the ministry has several important projects under way. Included would be:

Support to Metropolitan Toronto in their current renewed planning activities related to the TTC system, the Scarborough intermediate-capacity transit system and the proposed Toronto waterfront ICTS system;

Studies into the proposed extension of the GO commuter rail service to Oshawa in the east and increased frequency of GO service to Burlington on the west; and

Design of the electrification of the GO rail system in the lakeshore corridor.

By no means is the economic development confined to urban transit and technological

development. Such elements as dry dock expansion to facilitate the Ontario shipbuilding and repair industry, accelerated construction of the provincial highway freeway network within the Golden Horseshoe area, initiatives in rail and alternative transportation fuels research are but some of the further areas the ministry is developing.

Other policy thrusts: I do not want to suggest the ministry's programs are confined to action identified with the economic development thrust of the government. My ministry spends most of its program resources in other areas than the BILD program. Activities of special note include:

Work under way on the provincial highway network, such as on Highway 402, the E. C. Row Expressway, 403, 406, 404 and others, and including passing and truck-climbing lanes on highways in northern Ontario;

Continued support to the GO rail system, with the recent opening of service to Milton and Streetsville and the Mississauga area;

The continued development of the ministry's transportation energy management program;

The continued representation of Ontario's telecommunications interest to the federal government and its agencies;

8:30 p.m.

The initiation of the Royal Commission on Truck Safety;

The continued progress of the Public Commercial Vehicles Act Review Committee;

As well as many other initiatives in such areas as regulatory reform, customer service, and affirmative action, to mention but a few.

I cannot end these comments without noting this year marks the tenth anniversary of the Ministry of Transportation and Communications. I believe that out of the firm and bold step which was taken 10 years ago has evolved one of the most, if not the most, respected agencies of its kind in North America.

It was back in 1971 when the Ministry of Treasury's communication interests and the former Departments of Highways and Transport were all brought together to form the Ministry of Transportation and Communications. The minister at that time was the Honourable Charles MacNaughton.

MTC has an outstanding, highly dedicated staff. I firmly believe it has operated both effectively and efficiently within the tighter budget environment that has been and will continue to be the circumstance within which government operates. The Ministry of Transportation and Communications has and will

continue to provide services to the people of this province in an equitable, effective and efficient manner.

Having commented on the activities of the ministry, I am prepared, along with my senior officials, to examine with you the 1981-82 spending estimates of the ministry. I regret we are so late in the year, but I did not schedule it. Last year, we had our estimates through in May, right at the beginning of the year. We were one of the first ones on and this year we are one of the last.

Mr. Samis: Is there any relationship?

Hon. Mr. Snow: The money is mostly spent now anyway, so we cannot do much about it.

Mr. Samis: Was last May the cause of December?

Hon. Mr. Snow: I do not really know about that. I think it is the House leaders who sit down and schedule the ministries. We were left till last.

Mr. Hodgson: Hooray for our minister.

Hon. Mr. Snow: Before closing, I would just like to mention that second to my left is Mr. Ted Wood, financial comptroller of the ministry. Many of you have seen him here at estimates for quite a number of years. Ted has been in charge of our finances and has done a tremendous job.

In the last number of years, certainly since I have been minister, the budget has ranged from about \$1 billion five years ago to \$1.25 billion now. At the end of the year we normally end up, plus or minus, within less than half of one per cent of that budget. So when Ted can control spending, programs and 10,000 staff on about 250 contracts we award every year, plus all the maintenance and municipal programs and come out within half of one per cent, I think that is pretty good.

Mr. Mancini: After those remarks, I think we should dispense with the whole thing.

Hon. Mr. Snow: With regret, Ted Wood will be retiring. He is with us this evening. He will not be with us on Thursday since today is his last official day with the ministry. I am sure we all wish him a happy and rewarding retirement. His replacement is to his left. I assure you these are not philosophical lefts; there are no leftwingers in MTC.

Ed Lennox will be replacing Ted in his job as financial controller. Ed was formerly director of the internal audit branch of the ministry and has had a long history in financial control. I am sure

he will carry on the tradition and have all the estimates books, figures and facts ready for us when we come to consider them.

One other thing. Normally, Mr. Chairman, I do this after the critics have made their statements, but in this instance I will do it now. Perhaps the committee would indicate if and when you would like any or all of the boards and commissions which report to the ministry to appear so we can arrange for the appropriate staff to be here.

The four bodies concerned are the Ontario Highway Transport Board, the Toronto Area Transit Operating Authority, GO Transit, the Ontario Telephone Service Commission and the Urban Transportation Development Corporation. We used to have the Ontario Northland Transportation Commission, but that is with Northern Affairs now.

Mr. Chairman: Thank you, Mr. Minister. Perhaps we could deal with that matter right after the opening statements of the two opposition critics and your response.

Hon. Mr. Snow: I don't think I will reply to that kind of criticism.

Mr. Chairman: I should have said, "Your response, if any."

Mr. Mancini: Thank you very much, Mr. Chairman. I am pleased to be here this evening to join with my colleagues in discussion of the estimates of the Ministry of Transportation and Communications.

Before I get into the meat of the text I have prepared for the committee I would like to join with the minister in wishing Mr. Wood a happy retirement and much good health. On behalf of the Liberal caucus, I am pleased to say the work you have done on behalf of the people of Ontario is outstanding. I concur entirely with the comments made by the minister.

Mr. Brandt: The nice stuff ends now.

Mr. Sheppard: Mr. Minister, how many years has Mr. Wood been with the MTC?

Hon. Mr. Snow: Thirteen and a half. Ted came to the ministry from the private sector and has not been with us as long as some of our staff. You will recall at last year's estimates, Mr. Humphries was retiring after having been with the ministry since Mitchell Hepburn was around these buildings. So you know how long that was. Ted has not got a long record, but a very distinguished one.

Mr. Mancini: Mr. Minister, I would like to tell Mr. Wood that I deeply regret he never got to serve under a Liberal administration.

Hon. Mr. Snow: Very few around here have or ever will.

Mr. Mancini: Mr. Minister, I have outlined 10 basic points which I would like to bring to the committee's attention as part of my opening comments. I will not go into great detail on each of these particular points because I would rather do that in the vote-by-vote proceedings, when I will have the opportunity to question some of your senior staff people who are involved in these decisions. This evening I will make some general comments concerning the activities of your ministry over this past year.

8:40 p.m.

First, I have some general observations on the Ontario task force final report on provincial rail policy, dated January 1981, entitled *The Future Role of Rail*, which is an impressive-looking document. I am sorry to say the contents of the document are not as impressive as the cover.

You may recall, Mr. Minister, that I issued a press release after the document was tabled and was made public and that I was quite critical about the document. I said, "The report mouths in generalities every motherhood issue that could be associated with the issue of rail transportation," and at the bottom of my press release, I stated, "The very fact that the chairman of the task force, the MPP for St. David, was quoted on Wednesday, April 29, in the *Globe and Mail*, as follows: 'That she could not hazard a guess at the cost of the recommendations which were made in this report.'"

There were other comments in my press release but I won't take the time this evening to read them. After I issued that press release I thought I might have been a little hard on you, Mr. Minister, and possibly on Mrs. Scrivener. But later I saw an article in the *Toronto Globe and Mail* written by one Mark Lukasiewicz, who writes the "In the trade" column. Your staff may have seen this, but for the edification of the members here, I would like to read some of the points made by this gentleman as a person who is interested in rail policy and in the tourism aspect of rail policy.

He states as follows: "For those who have been hoping for a firm endorsement of a passenger railway renaissance in Canada, the final report of the Ontario task force on rail policy was a real disappointment. The 125-page report represents a year's work by the task

force, which was established by Ontario Premier William Davis and headed by Conservative MPP Margaret Scrivener. But for all of its 170 recommendations, the task force did little more than reiterate a few well-worn truisms concerning the state of the Canadian railways and speak in vague generalities about the need for improvement.

"The recommendations, for example, do not use active words, such as, 'build,' 'develop,' or 'design,' rather they are couched in the comfortable vein of 'encourage,' 'explore,' 'examine,' 'promote,' 'consider,' 'support,' 'consult,' and the ever popular 'work towards,' to mention but a few of the task force's favourite words."

This gentleman also was quite concerned by the comment made by Margaret Scrivener, the chairman of this task force, when she said she could not hazard a guess as to the cost of her committee's recommendations for the improvement along the Windsor-Quebec passenger corridor.

Mr. Minister, I do not think it is acceptable in this day and age for you to appoint a committee which spends upwards of \$300,000 and does not know and cannot even hazard a guess as to how much it is going to cost for that committee's suggestions to be implemented. In my view that undermines almost completely the work done by that committee, as well as the report itself.

I am told by one of my colleagues that the printing cost for the seaway report, which is very similar to the rail report, was in excess of \$100,000, so I would assume it cost your ministry the same, if not more, to have these glossy documents printed. So, in addition to \$300,000 for the work of the committee and over \$100,000 for the printing we have the cost of setting up a new office in your department.

I would like to know—I will also direct this question to the deputy later—how many staff people are in this new office, what their salaries are and what the total expenditures are going to be and exactly what they are doing there.

Frankly, Mr. Minister, after having read this report and having waited a good many months to see what would take place after the report was tabled, I say to you in all sincerity that you could have accomplished the same thing by having your deputy write a five-page letter to the federal government.

You said yourself, Mr. Minister, in your closing comments that your ministry has to work with a tight budget and has to do more with less money. That being the case, I do not think we have \$400,000 or more to throw away. I

do not think we can do as we did in the 1960s and early 1970s and create new departments on a whim, just to give the public the impression you are doing something about important political and social problems. I think the money spent on the task force on provincial rail policy has not been justified and could have been better spent in other areas. I will be willing to debate the pros and cons of the report later on if you and your staff wish to do so.

Secondly, I would like to touch on the report of the province's Great Lakes/Seaway Task Force. I assume this report was about the same as the rail report, which cost about \$300,000.

Is that correct, Mr. Gilbert? I was given the facts, but I just do not have them at my fingertips right now.

Mr. Gilbert: I am afraid, Mr. Mancini, I can only say that it was somewhere around \$250,000 to \$300,000.

Hon. Mr. Snow: I believe I have tabled those figures, but I am not sure.

Mr. Mancini: We called the person who acted as secretary to the task force and later became head of the office that you set up and I think the figure she gave me was close to \$300,000. One of my colleagues informed you in the House that he was informed by the ministry that the actual printing costs for this report was in excess of \$118,000. That is a lot of money.

Hon. Mr. Snow: I doubt that very much. We will get the exact figure for you. I understand the printing cost of the rail task force report—both the interim report and the final—was \$113,000. The seaway report certainly would have been much less than that.

Mr. Mancini: I should have brought the letter my colleague had in his possession.

Hon. Mr. Snow: I will have the information at our next sitting for the cost of both studies and the cost of printing them.

Mr. Mancini: It is my view that policy statements coming from your office would have sufficed. I do not think this expenditure by your ministry was warranted.

8:50 p.m.

I think you made a statement in the House the other day on some actions you were going to take concerning the seaway report. If my recollection is correct, you are basically setting up an information bureau and some kind of centre for dispersing information and educating people on the importance of the seaway system.

I do not think we have to spend that kind of money to tell people how important the seaway system is.

I think a statement by yourself, or a letter to the federal government from your office, or even just public announcements in the House or outside of the House, would have been sufficient. I do not want to be too critical of these reports because I know you solicited outside people to assist your ministry in some of these recommendations, no matter how vague they may be. I do not, in any way, want my comments to be seen as a direct criticism of these people, but I think they were hamstrung from the very beginning.

Surely we are all aware that rail and seaway policies, for the most part, come within the jurisdiction of the federal government. I know you make representation to the Canadian Radio-television and Telecommunications Commission about the telephone service, et cetera, but as far as I know you have not set up any significant task forces or spent a great deal of money to get your point across there. I think the same technique could have been used for these particular areas of jurisdiction.

I would estimate the cost of this whole deal—these two reports, the setting up of these offices and staffing—will total \$1 million. I would think it is not going to be too long before we have spent \$1 million on these reports which, as I think you are aware, could have been done a little more efficiently. Maybe not so much gloss but just as much information could have been provided by a simple, lengthy letter from you or a significant statement by you or your senior staff.

Mr. Minister, you may also recall my severe criticism of you and your deputy on actions taken by your ministry concerning the extension of Highway 404, near Aurora. You may recall, at that time I called for your resignation. I did not do that lightly, Mr. Minister. I did it after a careful consideration of all the facts surrounding the case and after all the information available to us was brought to my attention. It is my view that for reasons not known to us, your ministry decided to ignore the Environmental Assessment Act.

I think a person who is appointed a minister of the crown must have the confidence of the people of the province and when a minister of the crown is found guilty of ignoring the laws that he or she has passed—

Hon. Mr. Snow: If I may, I do not like to

interrupt you as you go along, but I was not found guilty, neither was Mr. Gilbert. We pleaded guilty, we were not found guilty.

Mr. Mancini: Is there a difference?

Hon. Mr. Snow: Sure there is a difference.

Mr. Mancini: Then why did you plead guilty?

Hon. Mr. Snow: Because when we added up the time it was obvious an error had been made. We started the job seven days too soon, before the 30-day limit ran out. I would like to answer this charge in detail but I will wait, if I may and if you like, until you have completed your overall remarks, or I can answer it now.

Mr. Mancini: Give me another minute or two and maybe you can reply to it. We will wait until the end.

Mr. Chairman: After the minister's reply we can get into this in more detail.

Mr. Mancini: Mr. Minister, the fact is that a charge of guilty was the outcome of this affair. You were fined. You and your deputy, unfortunately, had to pay the fines. It was seen in the public view that a minister of the crown ignored one of the laws of Ontario and it appeared from the public information that it was a conscious decision.

I have a press report here from the Toronto Star, dated May 28, 1981, which says: "Premier William Davis took the unusual step of publicly criticizing both the Deputy Minister of Transportation, Harold Gilbert, and Graham Scott, the Deputy Minister of the Environment, yesterday. Mr. Davis further said, 'Both deputies, operating in this administrative sphere, should have ensured that this matter was brought forward to the cabinet for resolution.' Davis said in a statement, 'I have discussed this matter with those deputies.'"

I can never recall a time during the six years I have sat in the House where Mr. Davis has publicly criticized any of his cabinet ministers or deputies and I do not think he would have done that if he had not believed a serious indiscretion had been committed. Not only was it an indiscretion, it was found to be not in accordance with the laws of Ontario. That is why the charge of guilty was the ultimate outcome and that is why fines were levied.

After I have made my comments, you may wish to explain how this took place and why it happened, Mr. Minister. Personally, I think you owe this committee a full explanation; I think you owe the Legislature a full explanation. Furthermore, I think you should tell us whether you feel what happened was a serious mistake,

or whether you think the law was wrong. If at that time you thought the law was wrong, then I think you went about it the wrong way. You should have tried to coax your cabinet colleagues into changing the law and not gone ahead and ignored the law.

That was my point in my press release and in my letter to the Premier. I consider it is a very bad precedent for anyone holding the high office you do to be seen breaking the law. This episode got much publicity in the media and, as far as I am concerned, it was a well known fact across Ontario and I would welcome your explanation of the whole affair.

Mr. Minister, going on to another area of serious concern, you have told me that in the past you have thought the committee members studying your estimates spent far too much time on the Urban Transportation Development Corporation. When I talked to you, I believe I said we will not be spending as much time on this particular point as we may have in the past.

Hon. Mr. Snow: May I correct that statement?

Mr. Mancini: Certainly, go ahead.

Hon. Mr. Snow: I never told you, Mr. Mancini, that the committee spent too much time on UTDC. I said that, unfortunately, in some of the previous years so much time was spent on UTDC and Ontario Highway Transport Board matters that the \$1 billion or more for municipal road and provincial road programs, transit and so on, received practically no discussion because the time was spent on other matters and very little time was spent on the detailed estimates of our major programs. That is the statement I made to you, not that we spent too much time on it.

9 p.m.

Mr. Mancini: If that is what you say you said to me, then I assume that is exactly what you said.

After having reviewed in detail the information I have been able to accumulate concerning the UTDC, I can understand why the former Liberal critic spent a great deal of time on the activities of that corporation and I can see that again we are going to have to spend a lot of time on this matter during these estimates.

I am really quite surprised by some of the activities that have been undertaken by this agency set up under your ministry. I am surprised that we have offices in different parts of North America and I am also surprised that it

now appears this agency is going into the manufacturing end of the transportation business.

I referred to the mandate of this agency when it was formed and the information I was able to discover stated as follows: "This Ontario government corporation was established in 1973 with a mandate to design, develop and market new transit equipment and systems. UTDC's role is to assume development risks associated with the improvement of conventional transit technology and the design of a new transit system."

I do not know how that correlates with the new undertaking of the UTDC. Specifically, I would refer to the joint venture that has been announced between the UTDC and the Toronto Iron Works Industries, of a plant which is going to be built in Kingston where manufacturing is going to take place. The result of that will be that Can-Car, in Thunder Bay, is going to lose a lot of business, having already laid off hundreds of people. They will be unable to compete with a crown corporation that has the full blessing of the Ontario government. In the strongest terms, Mr. Minister, I tell you that is wrong.

I was quite surprised when, a few days ago, the member for Port Arthur (Mr. Foulds) rose in the House to question you and complain bitterly about what was happening in Thunder Bay and the loss of jobs in Thunder Bay. I thought all of the points made by the member for Port Arthur were on target. The only thing that surprised me about his comments was that a person from a party which believes in government enterprise was complaining vociferously about government enterprise as it affected, more or less, free enterprise. That particular part of his comments did surprise me, but I will say again his comments were absolutely true.

I think you have basically wiped out the opportunity for Thunder Bay to maintain the large work force there was at Can-Car, you have wiped out the opportunity for Thunder Bay to have a large manufacturing industry and you yourself know how hard and how difficult it is to get manufacturing work in the north. I think it is completely unacceptable for a government enterprise to assume this type of activity, which results in such an effect on specific regions of our province.

I want to know how those jobs in Thunder Bay are going to be replaced and I want to know how this activity of the UTDC is related to its original mandate. Possibly its mandate has been changed by you over these last few years; maybe

you have given it a new mandate. If you have, I think you should tell the committee and the Legislature. If you have not, then I think you should make the Urban Transportation Development Corporation follow its original mandate and stick with the design and the technical work and research studies, and not take manufacturing jobs away from the north.

When the people from the UTDC are here, I will want to know about their expenditures in detail, especially the offices they have opened up in Arlington, Virginia. I would like to know what the people in those offices are doing, the cost of those offices, et cetera.

I am also going to ask them why the deals in Los Angeles and Detroit have not materialized and for more detail on the Vancouver deal that I believe has been signed, which I guess is the only one that has really been signed. I take it the only reason that one is going through is because the federal and British Columbia governments have committed huge sums of money. I also understand that Ontario has taken out a performance bond for a substantial amount of money, so this may end up costing the people of Ontario a considerable sum. I remind you of your closing comment, "We have to live with tight budgets and therefore we do not have any money to waste."

Mr. Minister, the UTDC is also involved in CLRV and ICTS, which after some research I discovered stand for Canadian light rail vehicle and intermediate-capacity transit system. I want to know why there is so much public controversy over the ICTS line in Hamilton. I also want to know why the project cost has gone from an estimated \$100 million to probably in the range of \$131 million. Why are these transit proposals becoming so expensive, and why was your crown corporation unable to forecast what the cost of these transit lines would be?

You know, Mr. Minister, that the people in the city of Hamilton and region have expressed great concern about this particular project. It has centred on the idea that the ICTS is not really a people-mover for Hamilton but is to be a showcase for the UTDC to help it sell its technology to other jurisdictions in North America and perhaps around the world.

The Hamilton situation causes me quite a bit of concern. The members from the Hamilton area may be here a little later in these estimates to express to you their opposition and the reasons for their concern, if they get the opportunity to do so.

The UTDC also has promised to build a line

along the Toronto waterfront to run from Union Station to the new Massey Hall, the convention centre and the CN Tower, and westward to Ontario Place and the Canadian National Exhibition. The original cost of this line was to be \$90 million of BILD money; I think that is correct.

9:10 p.m.

We are now told the cost of this line is going to be \$170 million and concern has been expressed that for \$170 million we are just not going to be moving enough people. I want you, as the Minister of Transportation, the person charged with the responsibility for moving as many people as possible for as few dollars as possible, to tell me why we are undertaking such a large expenditure, why the cost has almost doubled and what you will do to alleviate these concerns?

I would also like to receive an undertaking from you that if this system should prove not to be in the best interests of the people of Ontario, we will not go ahead with it but will look for something that does not cost as much and can move more people. We want to get the most for our money.

I also find that crown corporations in a ministry which has as heavy a work load as your ministry does are sometimes able to sell their ideas to a very busy minister, who sincerely hopes they are doing the right thing. It is my hope that before we allow such large expenditures we make sure we know exactly what we are doing.

I have made a couple of lists, Mr. Minister. One deals with the BILD-related promises as they affect your ministry and the other has to do with the promises made in the throne speech and are directly connected with your ministry. At some time during the course of these debates I would like to go over these in detail and find out just how we are keeping the promises which were made.

I could photocopy these pages for your staff so we can go over them, if time allows, after the opening comments by the critics are completed. I know you have kept some of these promises, but there are a couple of interesting ones on my list and I do not think we should miss this opportunity to question.

You may recall that on October 14, the member for Scarborough-Ellesmere (Mr. Robinson) introduced a bill to amend the Highway Traffic Act to make it compulsory for children under the age of five years to be adequately

restrained and protected as passengers on the highways of Ontario. I was pleased to second that bill.

I attended the seminar that was arranged by Mr. Robinson in which three distinguished doctors made presentations. One of them stated, "Riding in a family car is the biggest threat to the life of a child." These panelists further commented that it was no secret that motor vehicle accidents are the number one cause of death of children between the ages of one and five.

Mr. Robinson's bill was given second reading in the House. However, we have not heard anything more about this amendment to the Highway Traffic Act since then. You will recall that 1979 was the International Year of the Child, which would have been a most opportune time for you to move ahead with such legislation, but we would be happy to get it now in order to save the lives of children in the future.

What I am about to say possibly does not have much to do with you personally, but rather interests the Attorney General and Solicitor General (Mr. McMurtry). That minister has stood in the House and accused the Liberals of being the cause of carnage on the highways because we refused to allow the police to act as judge and jury, in addition to their rightful role, and take away peoples' licences on the spot.

At the same time as that minister tells us we are going to be responsible for deaths on the highways because we will not give police the extraordinary powers he wants to give to them, this province lets weeks and months go by after a bill such as Mr. Robinson's has been introduced. Even after we have been told that the family car is the biggest threat to the life of a child, absolutely nothing is done about the legislation.

Mr. Minister, if you get a chance to talk to the government House leader, I hope you will try to schedule a time before we recess to see if the bill can be proceeded with, because it would be given quick passage by the House and will help to eliminate the threat to the lives of small children.

Mr. Minister, I received some correspondence from the United Church of Canada—

Hon. Mr. Snow: It is funny that they would write to you.

Mr. Mancini: As many of you know, the people in the United Church genuflect almost as much as the Catholics—or is that the Anglican Church? Anyway, they have expressed to me a concern they have.

The letter I have received is from the Bay of Quinte conference of the United Church of Canada, which covers a very large portion of eastern Ontario. At its annual meeting in May of this year, they passed a resolution in regard to the use of pup trailers on our highways. The letter reads as follows:

"We are concerned with this growing problem of disasters. We have given the resolution to the Premier of the province and to the Minister of Transportation and Communications." I see you have an in with the United Church too, Mr. Minister. "We wanted you to know our concern, as well, so that action might be taken before we are into another winter season.

"The official resolution is as follows:

"That whereas in recent weeks, two more fatal, multimillion-dollar pup-trailer accidents have occurred in Ontario's Golden Horseshoe area; and whereas it was only by divine providence or the dead truck driver's courage that the latest parkway holocaust did not incinerate several columns of traffic; and whereas, following Ontario's worst-ever traffic accident in March 1973, the coroner's plea that these vehicles be banned from our highways during the four winter months remains totally ignored; and whereas the Ontario Ministry of Transportation is studying a proposal to introduce even larger and more lethal combinations, it is hereby resolved that the Bay of Quinte conference protest to the Premier of Ontario and the Leader of the Opposition the continued use of pup trailers during winter months in defiance of the 1973 coroner's recommendation; and we go on record as affirming our total support for the Ontario Motor League's campaign against the Ontario Trucking Association's attempt to introduce 105-foot combinations on Ontario highways; and we want to affirm the ministry's subsequent action in regard to this matter."

The letter is signed by Reverend Peter McKellar, executive secretary. I guess life and death is a big theological issue. I bring this to your attention, Mr. Minister, in the hope you will take swift action, if it is possible.

9:20 p.m.

You may recall the controversy regarding the Ontario Highway Transport Board's approval to grant United Parcel Service Canada Limited an operating licence in Ontario. I will not take the time of the committee to go over all the pros and cons of this issue; there are quite a few. You have already had the concerns of the trucking industry put before you.

I am informed, Mr. Minister, that there is an

appeal to the cabinet on this decision of the OHTB and I would like to know why cabinet has not dealt with that appeal, and when it will deal with the appeal.

Hon. Mr. Snow: Do you want me to answer that now?

Mr. Mancini: If you are going to say early in the new year, that will be fine. If you are not, I do not know.

Hon. Mr. Snow: A number of appeals were launched with cabinet on the decision of the Ontario Highway Transport Board. Those appeals were dealt with several months ago—I can get you the exact date—and a decision was rendered several months ago.

Mr. Mancini: The cabinet has rendered a decision?

Hon. Mr. Snow: I do not know where your researcher is getting information.

Mr. Mancini: What was the decision?

Hon. Mr. Snow: The decision was to uphold the OHTB decision with some modification as far as the reporting of financial affairs of the company was concerned.

Mr. Mancini: Was there a public statement?

Hon. Mr. Snow: Yes.

Mr. Mancini: I must have missed that.

Hon. Mr. Snow: There were press releases, I am sure. The order in council was certainly posted. It was in the press. I can assure you the decisions were dealt with in cabinet.

Mr. Mancini: So the appeals to the cabinet have been dealt with?

Hon. Mr. Snow: Yes, they were dealt with. Cabinet appeals always take a period of time, but they were dealt with; the decision was issued several months ago.

Mr. Mancini: I guess you are satisfied then that UPS should be able to operate in Ontario, with all its consequences?

Hon. Mr. Snow: Yes. I do not know what you are saying the consequences are, but UPS is operating and supplying a fine service. As you know, there were two lengthy hearings on the UPS application and the board issued a lengthy decision, which was appealed and which was upheld.

Mr. Mancini: Okay. I would like to deal for a short period of time with the brief that was presented to the Ontario cabinet by the Ontario Motor League in May 1981. They complained bitterly that revenues obtained from the motoring public were not being returned to the

motoring public and they felt the discrepancy had now reached the point where they should make this a major part of the brief they presented to cabinet.

As I was reading their brief, I found it interesting also that they condemned the federal government for the imposition of an ad valorem tax, but made no comment on the provincial ad valorem tax. It must have been an oversight on their part. When was your budget introduced?

Hon. Mr. Snow: May of 1981. What is the date of the brief, did you say?

Mr. Mancini: May 12, it could have been the week before. Anyway, I assume that if they oppose one ad valorem tax, they would oppose all ad valorem taxes.

I wonder what kind of response you made to the Ontario Motor League in regard to the fact that revenues raised from the motoring public were not being returned in their entirety. They do make a point in their brief—I am not sure if it is an exact quote, but it is a statement of principle made by Premier William Davis. He said that no particular sector of society would be asked to pay more than its fair share.

Evidently the Ontario Motor League believes that because the motoring public is being taxed a far greater sum than is being returned to them, the motoring public is indeed paying more than its fair share.

If my facts are correct, the brief was the first one since 1974. It is quite lengthy, it goes on for at least 50 or 60 pages and gives a lot of statistics. I am sure, because of the nature of the organization that made the presentation to the cabinet, you would be quite concerned and would have more information for the members of the committee concerning that matter.

At this time, I would also like to bring up the concerns of the general public in the Metropolitan Toronto area about the continuing escalation of Toronto Transit Commission fares. I was wondering if the minister was aware it is a proven fact in most cases—not 100 per cent, but in most cases—that whenever there is a significant rise at the fare box there is a significant decline in ridership.

I wonder if we are not now getting very close to the point where, in an age of energy shortage, we are going to inadvertently push people away from rapid transit because of the fare increases every single year. I guess the increase this year is going to be in the 10 or 11 per cent range.

I know, because of circumstances, it would be almost impossible to put an absolute freeze on

the fares, but when are we going to see some restraint in the TTC fares? When are we going to encourage, as best we can, the people of the Metropolitan Toronto area to use the services of rapid transit as much as possible?

You may recall the questions asked by me and by my colleague, the member for Parkdale (Mr. Ruprecht), in the Legislature. I know you answered us at that time, but I am not sure we received a full and complete answer because of the restraints of question period. I hope we will be able to discuss this matter at some length during these estimates.

I have several other points I would like to raise with you. I would like you to talk about your airstrip policy for southern Ontario and for the north and I would like to discuss with you the construction of certain provincial highways across the province. But I see it is almost 9:30, so I will leave those particular points until after my friend and colleague, Mr. Samis, has had an opportunity to make his opening statement.

Hon. Mr. Snow: May I ask something? I know the policy has normally been that the two critics lead off and then I respond. I would like to be able to respond to Mr. Mancini's comments while they are fresh in my mind, rather than wait until perhaps tomorrow night or Thursday morning, and then respond to Mr. Samis' comments following his.

Mr. Samis: I would object to that, Mr. Chairman. I think the tradition is a good one. The minister has all sorts of staff here to take note of everything Mr. Mancini has said. If he cannot answer everything tonight, he would have the benefit of the transcript as well, so I do not think he has to depend on his memory to answer any of the questions or refute any of the comments made by Mr. Mancini.

Hon. Mr. Snow: I recognize the tradition. I just was putting forward the idea that I could respond to the comments now and then respond to your comments immediately following them, but if you prefer to do it the other way, it is all right with me.

9:30 p.m.

Mr. Chairman: Thank you, Mr. Minister.

Mr. Samis: Thank you, Mr. Chairman. First of all, I want to join with the other members of the committee in wishing Mr. Wood well in his retirement and I also want to take this opportunity to pay tribute—it almost sounds as if he is deceased—to the former critic, my predecessor, the member for Etobicoke (Mr. Philip), who I am sure the minister misses for his

gregarious nature, garrulous, well-informed, well-researched questions and his ability to engage in dialogue on almost any conceivable transportation topic under the sun, or beneath the tunnel, or anything of the sort.

My comments will be a bit abbreviated as are the estimates—it reminds me a bit of the baseball season, in a sense, how the whole thing is being truncated this year. I suppose it is because of the fact we have been dumped upon in the final week of the session and this is almost inevitable.

If my comments are a little bit disjointed it is because there was a little foulup today. I came into Toronto and found I had left most of my notes and half my speech back home, but fortunately a good, loyal Tory constituent of mine, an employee of this government, in fact, a gentleman, was found at the— Pardon?

Mr. Brandt: Could we have his name?

Mr. Samis: He is up here for retirement, believe it or not. But I must give him tribute for the fact that he brought up a whole stack of files for me so I could put this thing together. I met him at the station tonight and I do thank my constituent for his loyal service and duty.

First of all, Mr. Chairman, I think 1981 was dominated by two major developments in Canada. First was the end of the long constitutional wrangle and the imminent birth of a truly Canadian constitution. The second major event, I think, was the agreement on energy pricing between Ottawa and the provinces of Alberta and Saskatchewan. The energy-pricing agreement will set the economic tone for our economy for the next five years because it sets the basic price for our energy components and, for the first time in several years, we now have a pretty fixed idea of the prices we are going to be paying for our oil and gas in the next five years.

While I may be against the idea of paying world price for a domestic resource, I do recognize the fact that economic decisions can now be made with a clear knowledge of the cost of the basic energy components. The energy agreement is crucial to the whole field of transportation because it means the cost of all forms of transportation will be dramatically increased over the next five years and that creates a whole host of policy decisions for government, industry and the motoring public.

For industry, it will mean a substantial increase in the cost of business, but it will also offer a dramatic challenge to produce more fuel-efficient vehicles, to develop cost-saving means and devices in the transportation of goods, to

make their present carriers more fuel efficient and to find the most efficient mode of transportation for the wide range of goods moved about in this province.

For the motoring public it means they are going to pay dramatically more for the pleasure or privilege of driving their cars in the next five years. We would hope muscle cars and gas-guzzlers will become ancient memories as motorists reorient their habits, driving philosophy and values to the energy-price realities of the 1980s.

For some motorists, a dramatic increase in costs will force them to reassess their whole attitude towards the different modes of public transit and transportation available. For those who use their cars on a daily basis to go to work, it could mean a fundamental reassessment of whether or not they should be using their cars at all for commuting to work and whether they should switch to the train, bus, or subway, or some sort of car pool as an alternative to using their cars for such purposes.

For governments, transit authorities, transportation companies and planners, all of this means we have to reassess our transportation needs and priorities for the 1980s. It will obviously mean a far greater emphasis on integration of different modes of transport and for greater use to be made of different forms of intermodal transport. Some progress has been made in this field, I recognize, but much more remains to be done, especially in Metropolitan Toronto and other major cities.

Beyond the fact of integration of mode, the energy situation will probably prompt even greater intergovernmental planning, especially between the ministries of Energy, Industry and Tourism, Transportation and Communications, and probably Environment, if that is not a dirty word in the minister's vocabulary these days.

Hon. Mr. Snow: What was that? I am sorry I did not hear the dirty word.

Mr. Samis: Environment.

Hon. Mr. Snow: Oh, environment. Great stuff.

Mr. Samis: I realize that the transportation energy management program study was undertaken several years ago and has been updated on occasion since the initial report, but I think it is very important the ministry constantly seeks to integrate its plans with the Energy ministry to seek maximum efficiency, the maximum use of alternative fuels, such as propane and hydro-

gen, the greatest possible energy savings, the greater use of public transport, as well as the greater promotion of car and van pools.

The public has finally become energy conscious and it is incumbent upon this ministry to use that consciousness to plan for the future and to render more efficient whatever means and modes we presently have. In that context, I would like to discuss the decision by the government of Canada to eliminate almost 20 per cent of our passenger rail service and consequently a number of passenger lines here in Ontario. I am not one of those who argue that all rail lines must be maintained, regardless of usage and/or cost. But in a time of dramatically increasing costs of fuel it is extremely important that the government exercise the utmost care in deciding on which, if any, services it is cutting back.

Obviously the minister involved is Jean-Luc Pepin and I do give this minister credit for making representations to try to dissuade him after the initial decision was announced. But I would argue that the minister was a little slow off the mark in seizing it as a public issue, going to Ottawa and making representations on behalf of this province against the cutbacks as they related to Ontario. I recognize the fact that he did go.

I saw a press release issued just last week entitled "Passenger rail service cutbacks in northern Ontario," and the first paragraph says: "Transportation and Communications Minister James Snow said today, 'MTC rail office staff, along with the Ministry of Northern Affairs officials, are currently touring a number of communities affected by the Via Rail cutbacks.'"

It seems to me that is an after-the-fact thing. That sort of thing should have been done when Mr. Pepin announced his intention to make the cutbacks. What good does it do to a community after—

Hon. Mr. Snow: With all due respect, I had three meetings with Mr. Pepin.

Mr. Samis: Yes, but this is a study in northern Ontario, polling the communities as to the effects of the cutbacks. My point is that your people should have been up there to assess it before the cutbacks were carried out, not after.

Hon. Mr. Snow: But after the cutbacks have taken place, we are now visiting those communities to see what their transportation problems are and what can be done to correct them.

Mr. Samis: My point remains the same. I think your ministry officials should have been there long ago on this exact issue—

Hon. Mr. Snow: We were.

Mr. Samis: —not after the fact, doing this kind of study.

In terms of the decision itself, Mr. Chairman, I think the only words which come to mind are “arrogant,” “high-handed,” “sneaky,” “hypocritical,” “contemptible,” and, in some cases, “short-sighted,” especially when it is done at a time of spiralling energy prices and especially when the federal government is constantly bombarding us with messages to get off oil, get off gas, switch to other things and use public transport as much as possible. The arrogance of that government in terms of the billion-dollar boondoggle at Mirabel and the fiasco with the LRC so far just makes a mockery of the entire policy of the cutbacks.

As an Ontarian I would recognize the fact that the people of the Maritimes were most hard hit by the cutbacks, but some of the cutbacks in this province are severe, especially in northern Ontario. A Toronto Star editorial said it fairly well as to why these cutbacks were an insult to the people of Ontario, if not Canada.

First of all, there was no opportunity given for public input. Secondly, the Canadian Transport Commission was completely ignored. Thirdly, it was done while Parliament was in recess. Fourthly, the minister responsible refused to discuss the matter with any sort of all-parliamentary committee in any detail or depth. So I do commend the minister for condemning the decision and lobbying but, as I say, I still think he was a little slow off the mark.

We feel the province must ensure that at least two, if not all three, of the lines be preserved as functioning lines because of their intrinsic socioeconomic importance to the development of southern Ontario; and here I refer to the Barrie and Stouffville lines. In all candour, I am not sure about the Toronto-Havelock line because of its distance, the conflicting figures being bandied about by both sides as to its usage and its costs, its attractiveness and whether or not a real effort has been made to advertise its services to the public in that area.

I would ask the minister to provide us with a detailed account of the status of the negotiations between his ministry and the federal ministry and/or Via Rail, and/or CN/CP as it relates to all three of those lines. I would ask him what issues have been resolved at this stage and what issues are still outstanding.

How far apart are the two sides on the outstanding items? How much of a problem is the 1982 deadline in terms of resolving the matter? How much difficulty would the province have in taking over these lines after November 1982 in terms of equipment, upgrading the railbeds, rental agreements, depreciation, station facilities, et cetera?

9:40 p.m.

I would emphasize that I would ask the minister to provide us with as full a report as possible on what is happening in the matter of all three lines. I would ask him what his stand is on the Havelock line in particular. Is it being negotiated along with the other two lines for a possible provincial takeover? Is it being negotiated separately? Or has he written it off altogether as not feasible for the provincial government to take over?

Moving to the task force report itself, which my colleague has already described: first of all, I would commend the minister for initiating such a task force and attracting such eminent people to serve on it. I also would commend him for establishing a rail office in his ministry; I think it is something that was overdue and it is a welcome initiative. But I would ask him to give us an account of what that office has actually done since its inception and give us a detailed account of the size of its staff and who is actually in charge. Basically, most people have a fear that this report will be forgotten or buried by the ministry before the year is over.

Regarding the task force, I counted 128 recommendations coming exclusively under provincial jurisdiction and obviously the basic recommendation was a stronger role for the province, a more forceful role for the province in the planning and development of the rail system in Ontario.

The minister said in the House that one third of the recommendations are already being implemented, one third are under active consideration for policy development and implementation, and one third are under long-term study. When I asked the minister about certain recommendations from the report, among those listed—purely under provincial jurisdiction; none of them would qualify as federal, municipal, Via Rail, railways in general, or CTC, but just provincial. I was going to go over some of these recommendations and ask which ones are being implemented at this stage. Frankly, I was a little surprised when he claimed that one third are already being implemented and some of the recommendations are so vague and general it

makes us wonder what the minister is talking about. So I would refer to about 10 per cent of the recommendations which come under the category of provincial.

"1-4. The province should act as a catalyst to encourage and help implement new rail services or improvements that are in the public interest and could not be implemented by the private sector alone.

"1-7. The province should ensure that service levels to the public are maintained and not prejudiced as a result of reluctance by governments or by the railways to expand facilities or because of a system that indirectly rewards poor service.

"1-8. The province should take a direct interest in local, regional and commuter services within its borders and a strong supporting interest in interprovincial or international services.

"1-10. The province should provide financial assistance for the construction of railway plant or purchasing of equipment where broader provincial public objectives are served by such assistance."

To save the committee time, Mr. Chairman, I will just tick off those I would ask the minister to respond to as to what is being done on them:

Recommendation 3-1, on passenger service; 3-6, on negotiating with local and regional services for isolated northern communities; 3-10, consulting with the Ontario travel industry; 3-15, high-speed rail options in the Quebec-Windsor corridor; 3-18, co-ordination of train and bus services; 3-21, publishing guidelines where the retention of central locations for rail passenger stations is desirable; 3-22, the province should act as a broker-co-ordinator for multimodal transport centres; 3-23, the establishment of intermodal stations assisted by the province through technical and financial help; 3-27, the province and CTC be notified of cases of applications requesting closure of stations; 3-30, the physically disabled; 3-35, detailed cost benefit studies conducted by Ontario on providing rail service to selected high-potential tourist destinations; 3-37, that Ontario would provide information on rail travel and rail travel packages in its promotion programs.

Recommendation 4-10, that Ontario should examine other metropolitan areas, such as London and Hamilton, for potential rail commuter services; 5-2, Ontario should prepare a master rail plan which classifies lines and services; 5-7, the province should investigate all existing and dormant branch lines; 5-11, estab-

lishing a right of way management program for abandoned rail corridors in provincial ownership; 6-4, the province should provide financial support for specific resource industries; 6-7, acquisition of the CN route from North Bay to Toronto; 7-4, fostering technological design development, such as intermodal terminals; 7-5, the use of piggyback and container services; 7-8, consideration of pooled freight cars of several types to be owned by the province; 9-6, demonstration of rail technology developments; 9-8, four mutually reinforcing centres of innovative railway excellence.

Recommendation 10-1, rail electrification; 10-6, completing planning studies to carry out detailed design-financial implementation studies; 10-8, research and development and other preparations for Canadian industrial participation in future electrification plans; 11-19, a provincial agency to complement the existing federal emergency planning agencies—and I will leave it at that, Mr. Chairman.

I would ask, of those recommendations of the task force, since the minister said that one third are being implemented, which of those are being implemented and which are under active study and what is happening on—

Hon. Mr. Snow: With all due respect, I would like to see my quote where I ever said that.

Mr. Samis: I have it right in Hansard. I do not know if I have it with me, but it is in Hansard. You made a statement in the House.

Hon. Mr. Snow: I remember exactly what I said.

Mr. Samis: One third.

Hon. Mr. Snow: If I recall what I said correctly, I said this report was like many reports we have had on highway safety, on the trucking industry and on many other subjects, that the recommendations usually end up into three groups; one group that can be implemented immediately, one group that will need further study, and one group that will probably be—

Mr. Samis: No, you said one third were being actively implemented at this stage, one third were under study and one third were under long-term consideration.

Hon. Mr. Snow: That may not be far wrong, but I do not recall ever saying that.

Mr. Samis: That is what I want to see.

Hon. Mr. Snow: I usually remember what I say.

Mr. Samis: Oh, yes. Hansard.

Hon. Mr. Snow: I do not say that much. I do not expend as many pages of Hansard as most of you people do.

Mr. Samis: Now, now. Hansard will decide. Interjections.

Mr. Samis: Switching to another aspect of transportation, but still dealing with some form of rail, my colleague from Essex has brought up the whole question of the Urban Transportation Development Corporation. We have some common ground here; we disagree on some other things.

We would support the principle and philosophy behind the establishment of UTDC. We would support the concept of a joint venture. We would support the creation of new technology in important fields such as this. When on a world-wide scale, it becomes known there is a market of approximately \$500 billion between 1978 and 2000 available for this country, we would support the idea of public transit as an alternative to high fuel costs. As I say, we would support the concept of joint ventures for the production of intermediate-capacity transit system vehicles, although we may have some questions as to the relationship between Thunder Bay and Kingston in the process.

However, I would express reservations about how the province is resorting to financial inducements to entice or pressure municipalities to adopt the ICTS. I notice that the mayor of Scarborough refers to the whole concept as the "Toonerville trolley." He complained in a public statement in the *Star*—I have not got the date—about backroom pressures being used to get his municipality to switch from light rail transit to the ICTS and the province throwing in an extra \$31 million.

When we talk about the ICTS in terms of the waterfront project, again it has been announced boldly that the province would pay the first \$90 million or the first \$100 million involved and some percentage afterwards, although we are not quite sure what.

In the case of Hamilton, the governments combined would put up 90 per cent of the capital cost, which would probably come to more than \$90 million. In Vancouver, the province provides a money-back guarantee on almost a \$300 million project.

It seems the constant emphasis is on providing a showcase. There is nothing wrong necessarily with supporting a new and domestic technology, but the question we ask ourselves is when does the technology begin to sell itself?

How long does the taxpayer have to support, not just the creation of the technology but selling the technology as well? To what extent are we tying ourselves totally to this one type of technology?

9:50 p.m.

We would like to know—and I assume when Mr. Foley is here we will know a little more about it—what the Urban Transportation Development Corporation is doing to provide some variation or choice in its hardware and technology.

What percentage of the public investment is being spent on the intermediate-capacity transit system versus trucks, versus buses, versus electrification, versus any other form of technology? What portion of the Vancouver and Scarborough equipment is being built in Kingston versus Thunder Bay to alleviate some of the problems that may be created, particularly in Thunder Bay?

I would also like to discuss the whole question of international developments for ICTS international sales and the relationship between its program and that of the federal Ministry of Trade in its efforts to sell transit equipment around the world.

It seems ICTS has become a dirty word in Hamilton. Tomorrow night we will find out what the elected officials decide, but the role of metro Canada in the whole process is an extremely dubious one. It is one that has probably brought a fair amount of shame and doubt to the whole concept of ICTS. We would be interested in knowing why Hamilton was chosen. If it is a demonstration project, why the city of Hamilton?

I would like to know what the minister's policy will be, if the council votes not to proceed; if they decide not to recommend that particular project for their city and they opt for buses or whatever else they want. Maybe there is a lesson to be learned here. If a local council sets its own priorities, the province should not try to subvert those in any way. It should accept them.

In terms of the waterfront, we would like a little more clarification on the degree of commitment beyond that first \$100 million. It seems there is no commitment if the local authorities decide to choose something else besides ICTS. Some aldermen have been quoted as saying they feel they are being sucked in and co-opted to be part of a provincial scheme.

We would emphasize that we have to let the local officials decide what system they want,

what mode they want, where they want it to go and what they think they need to suit their particular needs. The province is continually dangling that financial carrot to get them to take something they do not particularly want or which may not even be best suited for their particular situation.

On the Toronto Area Transit Operating Authority, I would like to reiterate that we, in this party, are still in favour. My colleague and predecessor from Etobicoke emphasized we favour the extension of the GO line east to Oshawa, especially because the Ministry of Revenue is moving there.

I would appreciate a report on what is happening in the lengthy negotiations between GO and the railway. It seems as if it has been going on for almost an eternity. I would also like to know where things stand on the recommendation to electrify the GO system. What considerations have been given to that at this stage?

I would also like to know from the TATO people what the next priorities are both at the Union Station complex and at the yards. Is anything happening in getting a badly needed new bus terminal for the city of Toronto? I would be interested in either the minister or the TATO people reporting to us on the comment that, "Railways have all the business ethics of an Al Capone," in describing their process of negotiation.

Hon. Mr. Snow: Excuse me, you said Union Station and then you said the yard project. What yard do you mean?

Mr. Samis: I gather it is the Bathurst Street yards.

Hon. Mr. Snow: That is all part of the Union Station project.

Mr. Samis: Is that considered one and the same? Okay. I would ask for a progress report on those two.

I did receive an interesting letter from a person, not in my riding but from Rexdale, if I am not mistaken.

Hon. Mr. Snow: Did you not get one from the United Church?

Mr. Mancini: I get the Observer once a month.

Mr. Samis: I pay for my Observer. I guess Remo has special contacts.

Anyhow, a colleague of mine passed this on because it referred to the GO Transit on the Toronto-Milton route. I thought it brought out some interesting points that deserve some information and some answers.

"In connection with the project, certain capital improvements were made to the railway line with very substantial assistance from the Ontario Treasury. It is, of course, much too late to make any changes to the bargain between CP Rail and the Ontario government. Nevertheless, it might be interesting to hear the Minister of Transportation and Communications answer certain questions about the deal.

"The CP Rail line from Toronto to Milton was rebuilt, mostly with Ontario government funds, and is now probably the finest railway line in Canada. Not too many years ago the line in question carried several passenger trains a day in each direction and the signalling system and automatic block installation was not considered inadequate.

"Now, with government moneys available, it seems that nothing less than the very finest state of the art centralized traffic control system would do, paid for entirely by the taxpayers of Ontario. This deluxe signalling system was supposedly made necessary by the addition of three—or is it five?—commuter trains a day in each direction. Outside of rush hours on weekdays and weekends, CP Rail has exclusive use of this asset.

"Then there is the matter of the rail use and the reconstruction of the line. It is a continuous welded rail weighing 136 pounds to the yard. This rail has only recently been adopted as the heaviest main line rail in Canada. The previous rail, which weighed almost 100 pounds to the yard, was jointed rail and it was mostly 30 years old and was long overdue for replacement. That is to say, with or without government assistance, CP Rail would have had to replace that rail now, or very soon.

"From Milton to Guelph Junction, where no Ontario government money was available, the old rail is also being replaced, but with rail weighing 115 pounds a yard. The only difference in traffic is the absence of the GO trains.

"West of Guelph Junction, the line becomes a single track. The old rail in this part weighed 130 pounds per yard but, when replacing this rail a few years ago and spending some of its own money, CP Rail found it acceptable to use 115-pound rail. Traffic west of the Guelph Junction is only slightly lighter than east of that point.

"So we have a situation which, in addition to a few commuter trains and a lot of government money, transforms a single track line with 115 pound rail to a double track super railway, equipped with the best CT system and the heaviest rail available anywhere in Canada."

There is one other aspect of this business that deserves comment. He refers to the fact most of the rail was supplied by Algoma Steel, which everyone knows is a subsidiary of CP. He thinks CP is getting the best of it both ways.

The Ontario government complained, most recently in its rail task force report, that railways drive ruthlessly hard bargains in negotiating for GO Transit operations. With respect, I would submit that is not the point.

The point is the government is a remarkably soft touch when it comes to forking over money to railways for one of its pet projects. When the subject is funding for social services, health care, or assistance to colleges and universities, that same government is very niggardly indeed. It is all a question of priorities.

I would appreciate it if you would answer some of the points he brings up regarding the Guelph line and the size of the rail being used.

Having covered TATO and the question of UTDC and rail, no discussion of transportation would be complete without talking a little bit about public transit. Over 60 communities in this province operate public transit systems and in Metro Toronto that means over a million rides a day are taken on the TTC.

Public transit is a necessity for those who do not have cars. As well, in this time of ever-escalating energy prices, public transit systems use less gasoline to move people around than do private automobiles. Therefore they help reduce the tax burdens Canadians carry from the importation of expensive foreign oil.

Urban automobile transportation consumes one third of all petroleum used for transportation purposes. Cars consume nearly five times as much energy as buses on a passenger-mile basis. Public transit also contributes to the quality of life in our urban communities.

The pollution, the congestion and the cost of building enough roads and parking lots so everyone in our large city could travel by car, is simply staggering. A good urban environment requires a large number of people to use public transit for some of their transportation needs. Obviously, that means adequate funding.

I notice the Toronto Star had an interesting series last Friday, Saturday and Sunday on some of the transportation needs of Toronto, whether it be highways, ground level or below level. They emphasized the need for either a new subway line or a way to cope with the massive influx of passengers on the subways, especially at College and Yonge, and Bloor and Yonge. They talk about mob scenes.

They talk about the fact 129 of 160 bus routes are now overcrowded at peak periods. Some buses that are supposed to carry 55 to 65 passengers in rush hours now crush in loads of 100. Streetcars that are supposed to be for 80 to 90 people are squeezing in 130. There is barely standing room aboard many westbound King cars when they start their run downtown. They talk about the fact the TTC will tally 25 million rides more this year than last year's record of 366 million. Next year they are talking in terms of 400 million.

According to the head of transportation planning at TTC, we simply do not have the capacity to handle them in rush hours. We may have half a billion riders five years from now and there is no prospect whatsoever of opening any major transit facility in the downtown area in that period.

10 p.m.

The problem of congestion is a very serious one in this city. There is also the question of funding, which does not just relate to fares, and the whole question of whether staggered hours have any possibility.

I would ask the minister if he would inform us what is going on between TTC, Metro and provincial officials on an accelerated transit study. What has come out of that so far and where do things stand? Obviously we will talk about the intermediate-capacity transit system and how that fits in with the overall Metro priorities.

There is a need in this city to deal with the increasing swingover to public transit. When people talk about the increase in TTC fares, I think they can make a valid point. But coming from eastern Ontario, I would point out the city of Ottawa will be charging 80 cents a fare by the end of the year, more than the TTC will be charging.

That does not get much publicity in the Toronto press but it is a fact of life in eastern Ontario that rates are going up. In Ottawa, I think we will have the highest rates, possibly in Canada, for public transport. The problem is not confined to the city of Toronto and I wish the Toronto media would recognize that.

Moving from rail transportation matters to road transportation, I would like to discuss the general question of safety on our roads.

First of all, I would like to raise the question of seatbelts because of my concern with the dramatic continuing decline in the use of seatbelts by Ontario motorists. The ministry deserves commendation for its initiative in

introducing seatbelt legislation some five or six years ago, but several recent surveys indicate the current usage by adults has declined from a high of 79 per cent to something less than 50 per cent in Ontario. I find the latter figure alarming.

I realize a good portion of this comes under the jurisdiction of the Solicitor General, but the fact some 101,000 were injured on our highways, 30,000 hospitalized and 1,500 people killed, makes it an important safety issue for this ministry. I want to know what the ministry is doing to change the disturbing and dangerous trend among our drivers.

Tom Campbell, of the Ministry of Health, says the education program seemed to be only of limited value. He points to the \$50 million education program in Britain on the use of seatbelts. A follow-up study there indicated public attitudes and habits had not changed a bit.

The Solicitor General got himself a few more headlines by ordering the police forces to treat the offence more seriously and to lay more charges. I would like to know what MTC is doing about the problem. What studies have you undertaken? What initiatives can we expect in the coming year to reverse the trend?

Another matter in the field of highway safety that concerns me is the question of child restraints in cars. The minister has failed to move legislatively on this matter, even though both opposition parties would strongly support such an initiative.

The member for Essex South (Mr. Mancini) has outlined some of the arguments. To me they are irrefutable. We had some very well-informed people from the medical profession testify at the seminar arranged by Mr. Robinson. I believe the coroners' association, the consumers' association, the Ontario Motor League, the Ontario Medical Association and the Ontario Traffic Safety Council have all endorsed the proposition.

The province of Saskatchewan has enacted legislation—they did not wait for the federal government—and they are very satisfied with it. The interesting thing is the usage of seatbelts and restraints, which was only in the 12 to 15 per cent range prior to the introduction, has been drastically changed. This means that more people, more young people, children and infants, are being protected.

When we see the declining use of adult seatbelts and the limited use of any form of child restraint in this province, how can the minister justify sitting back and waiting for the feds? The evidence is clear these things do work.

There may be some difference as to what particular model may be the very best. I would suggest one of the failures of the ministry this year was the failure to do anything on this particular issue, especially when one of your own back-benchers has publicly tried to make a campaign of it.

My colleague, the member for Beaches-Woodbine (Ms. Bryden), introduced a resolution over a year ago and reintroduced it in the fall session.

The minister has made some comment that he hopes something will be done in the spring. I would like to have a little firmer commitment from the minister as to what he intends to do in 1982 and when the legislation will take effect.

On another matter, the statistics in the 1980 motor vehicle accident facts show that the highest accident rate percentage is among the drivers aged 16, and the second highest among drivers aged 17. That represents virtually no change from the 1979 statistics, except for a minor change among 17 year olds in 1979.

I have strong personal reservations about allowing people to drive before they reach the age of 18. I know it is a well-established part of Ontario's social and cultural norms to drive at age 16, but why do we say that a youngster can drive a lethal weapon at age 16, but cannot have a pint of beer until the age of 19 and cannot vote until the age of 18?

One looks at the accident and fatality rate of this age group of drivers and sees the overall cost to society, which must include the cost of insurance, hospitalization, health care and so on, in addition to the senseless loss of life. What are the counterbalancing arguments for continuing this contradictory practice of defining a legal age of majority, yet allowing people below that age to drive automobiles? Is there really a need to have 16 year olds and 17 year olds on the highways, and if so, what is the exact nature of that need? What benefits does society get from such a policy?

Turning to another matter, I would like to raise the question of the increasing popularity of compacts, subcompacts and various downsized models of cars and what the drivers of these small cars have to cope with when large transport trucks are on the road. More specifically I am referring to the practice of some transports to drive in groups or packs, and in rainy or snowy conditions a series of them may pass a car, creating special visibility problems for the drivers, who may be temporarily blinded by a snow whiteout or a heavy burst of spray against the windshield.

I know the minister is an avid reader of the *Geraldton-Longlac Times Star*, one of the most outstanding newspapers in Ontario.

Hon. Mr. Snow: Every week I read it cover to cover.

Mr. Samis: The member for Lake Nipigon (Mr. Stokes) brought it to my attention because it contained a very interesting editorial about concerns in the north. It is in the issue of December 2, 1981, and brings out the point that in northern Ontario they have even greater concerns with the question of whiteouts, transports travelling together and so on. I will just quote two paragraphs:

"But for common safety the practice of dominating the highway with huge transports during the winter months in groups of more than two should be outlawed. Today cars are smaller; compacts are the demand. But up north, a small car has little chance when a huge transport crowds up behind him when he is trying to pass one ahead so that he can climb icy and snow-packed hills.

"It's worse driving at night. Many motorists refuse to drive at night, with the threat of transports. Darkness, slippery, icy highways, plus five transports, often face a motorist. Who dares take to the highway that they are paying for? Motorists should press for a change in the Highway Traffic Act."

The editorial suggests writing to your favourite MPP, and obviously the member for Lake Nipigon has received mail on it. But I think the point is a valid one, smaller cars being the norm. Has the ministry given any consideration to making some changes in the regulations that pertain to transport? I realize that transports are supposed to be at least 200 feet apart, but how strictly is that being enforced on our highways? Is it enough of a gap between trucks in view of the current and growing popularity of smaller cars on our highways?

I would also like to raise the whole question of speed limits on our highways. I realize the Attorney General and/or the Solicitor General has some jurisdiction over enforcement here, but I would just like to say, from my experiences in travelling on Highway 401 regularly over the past few years, that the 100-kilometre speed limit is a joke.

It seems that with each passing year it is becoming more and more common to see a good majority of the cars on Highway 401 exceeding the speed limit at will. I am not attributing that to poor police enforcement, but it is a dangerous trend. What are we doing about it, and what can be done about it?

I suspect it is a little like the seatbelt question. People have generally adhered to the changes when they are first introduced and then they slide back into their old ways, especially on the expressways in the province.

Another disturbing trend I find on highways like 401 is the amount of lane changing or switching that is being done without signalling. There has been a significant deterioration in this aspect of driving and again I wonder what is being done to counteract it.

10:10 p.m.

In the state of Vermont there are big signs at the entrance to their expressways telling you it is mandatory to use direction signals if you wish to pass or switch lanes. Perhaps some consideration has been given to that idea in this province.

Before leaving the question of safety, I would like to refer to driving schools and driver education courses in the program. I believe the ministry introduced some legislation about this matter a couple of years ago, but it was allowed to die on the Order Paper. In last year's estimates the minister indicated he would probably introduce legislation this fall session, but nothing has happened yet. When can we expect some legislation on the matter?

I would also be interested in the minister's views on the conflicting opinions about the value of driver-ed courses in the first place. I am sure the minister has read the statements by Reg Warren, the director of research for the Traffic Injury Research Foundation, who claims that driver ed can be harmful. He argues, I quote, "They actually increase accidents among young people."

He goes on to say that people are taking driver ed for the wrong purposes and refers to certain studies that demonstrated that "High school driver education is associated with a net increase in deaths and injuries to young drivers." He says, "The cure is not to scrap driver education in the schools, but to offer it, with strong incentives, after the young person has already acquired a driving licence."

I realize the people in driver ed totally disagree with them, but I noticed there was a letter to the editor from a director of a driver-ed school in St. Catharines, if I am not mistaken, saying he agreed with what Mr. Warren said. Further, the director of Young Drivers of Canada, who is also a director for the Canadian Drivers and Safety Educators Association, made the interesting comment, in the *Toronto Star* of

May 7, that Canada had one of the worst records in the world in so far as our whole testing program is concerned.

He said: "The fact it can happen is a disgrace. On the scale of one to 10, Canada would place about number two in licensing requirements. Young Drivers of Canada bases its program 75 per cent on defensive driving and 25 per cent classroom studies." He continued, "In Canada, 66 per cent of those who take their driver's test pass the first time, compared with 44 per cent in Britain and 30 per cent in Japan."

I would be interested in the minister's views on the whole concept and value of driver ed, whether it has been reassessed and, in general, where things stand at the present time.

On another point: could the minister bring us up to date on where things stand on the question of photos on driver's licences? It is one thing to toughen the penalties for those caught driving while suspended, but surely it would help the police greatly if we had a system of photos on all driver's licences and would just as surely help to solve a variety of other problems.

Has Treasury Board turned you down flat again? Are you pursuing the matter for the 1982 fiscal year? Where do things stand on that?

Somewhat facetiously, would a promise of a first ballot vote on your part from "McHeadline" help you at all in your efforts to get the proper funds for this? How much would be involved, are you actively pursuing it, or have you abandoned the whole question?

On a change of subject, what is the ministry's policy on the question of public, noncommercial, rest areas along our four-lane highways such as they have in Quebec and a good number of states south of the border? Is it your policy to rely almost exclusively on commercial gas and food centres for this purpose, and if so, why? If not, what is being done to develop these rest areas?

Switching to the question of trucking, Mr. Chairman, I really do not have that much to say this year since the whole Public Commercial Vehicles Act is under detailed review. Like other members, I look forward to the recommendations.

However, I want to renew our party's opposition to any policy of wholesale deregulation in the trucking industry in Ontario and I also look forward to seeing how the recent legislation on intercorporate trucking works out in the interim. I trust the experiment will be closely monitored so we can have as much information as possible to evaluate what success it may have.

I was pleased that the Legislature finally got to deal with the dangerous goods legislation. I thought we would be past it by now, but we are not, and I can only hope that the formulation of the regulations and the ultimate proclamation of the act will become a fact of life in early 1982 so we can have this much needed legislation "on the roads" in order to deal with the potentially serious problems that exist out there.

I would like to ask the minister if he has given any serious consideration to implementing or legislating a speed limit of 90 kilometres per hour for trucks on our highways in 1982, as I believe both the Canadian Trucking Association and the Ontario Transit Association have advocated such a change.

I realize that in previous estimates the trucking industry legislation and the administration of matters related to the industry have received considerable attention. However, I feel in view of the particular circumstances this year that it would probably be best to await the results of the various experiments and studies being implemented at the present time.

I would like to make a brief reference to bus safety, which I believe is a subject of ongoing concern. One aspect of the concern is the continuing practice of allowing standees on our school buses. The matter was raised last year in the estimates and I would like to ask the minister if anything has changed since then regarding the attitude of either the Ministry of Education and/or the various local school boards. How do the 1980 statistics compare with 1979 in terms of bus-related injuries?

Could the minister also report to the committee on the results of the test program in Leeds county on the stop arms installed on their school buses? What conclusions can be drawn from the study? Is the minister planning to expand the program as a result, or not?

You stated last year that the fold-out arms are worth while, and suggested a phasing-in program for them on buses built after certain dates. Are we any nearer to such a program at the end of 1981? What are the figures on their usage and the attendant accident or injury statistics where they are in use in the United States?

Hon. Mr. Snow: I think I said I could not favour a phase-in program on that basis because it would be too long and you would have vehicles of both kinds.

Mr. Samis: I thought it was the opposite, that a condition under which you would favour it was that they be phased in.

Hon. Mr. Snow: My consideration of that issue was that if we go to stop arms there would have to be a retrofit program on existing buses. A bus lasts, on average, about seven years. With the retrofit program, you would have some buses with stop arms and some without and I do not think that would be a safe situation. I remember our discussing it last year and that has always been my position.

Mr. Samis: On the question of the disabled, the minister is on record as opposing the issuing of special licence plates or stickers for vehicles operated by disabled people. I think he referred to such factors as the cost, the fear of victimization and the abuses of the system that are happening "in other jurisdictions." I would like to know what specifically he was referring to when he raised the question of abuses, what kinds, and in what jurisdictions.

With the increasing attention being given to the problems of the disabled, especially this year, would not such a system have more benefits than disadvantages? Haven't the disabled themselves been seeking some sort of identification system? Would that not help municipalities to designate parking spaces for disabled drivers and to enforce such a program?

I will move to the communications field, which I suspect we will not have any time to discuss this year. I would like to know, however, where things stand with the feds on the whole question of jurisdiction, which is a very important one in view of the rapid changes in technology in the telecommunications field.

Content is obviously a crucial question because we are obviously on the verge of another new era in Canadian broadcasting. Unfortunately the history of television broadcasting is strewn with the corpses of broken promises from almost the very outset and that still seems to be the reality in 1981 as we read about the performance records of various applicants before the Canadian Radio-television and Telecommunications Commission.

It is true that Canadian content rules have failed to achieve their mandate, but I think much of the blame lies with the broadcasters. They have devised every conceivable trick, gimmick, method, loophole and end-run excuse, such as stacking Canadian produced programs at times when TV viewing falls off and placing American programs around the peak viewing hours of 8 p.m. to 11 p.m., to name but two of the most commonly used methods.

I do not claim the current rule is not capable of modification or tightening, such as imposing

differing content regulations on broadcasters based on their size and financial strengths. But I cannot help feeling that Canadian broadcasters have frequently taken the easiest, most inexpensive way out of their greedy pursuit of maximum profits, to the detriment of our heritage and future economic, social and cultural development.

If 90 per cent of the programs, exclusive of news, information and sports being watched are foreign-made, the broadcasters are reaping the results of their own narrow-minded, profit-seeking policies over the past 10 years. They use the cheapest possible programs and do everything possible to avoid the production of Canadian-made shows.

I place the primary blame for the situation on the radio and television broadcasters far more than I do on the listeners and viewers.

10:20 p.m.

The recent submission to the Canadian Radio-television and Telecommunications Commission by this ministry is a novel and stimulating one. However, I have severe reservations about the basic principle of rewarding stations and broadcasters on the basis of audience rating; giving them unconditional licences for five years and further basing licence renewals on some sort of sliding scale, relating the length of licence renewal to the increasing proportion of viewers watching Canadian programs.

I do not like the idea of determining the station's life or death primarily by its audience ratings. I notice the Canadian Association of Broadcasters and CTV officials immediately denounced the proposals as "dangerous" and equated them with some form of Russian roulette. I would suspect that Cherkover and company are opposed to the proposal from a rather different perspective than mine, but I would appreciate knowing if anyone, either in public or private broadcasting, has endorsed the Ontario proposal or even supported the principle behind the Ontario proposal.

I have a couple of questions I would like to raise relating directly to the minister. I hope the minister will answer them.

First of all, I would like to congratulate the ministry for its policy of expanding bilingualism in signs, especially in eastern Ontario and parts of northern Ontario. The only thing I ask in terms of routes like Highways 401, 417 and 17 is why did it take so long when people have been asking for it for 10 years, especially on our expressways in eastern Ontario? We are still behind the province of Quebec. States like

Vermont and New Hampshire have put us to shame for years and they are talking about far fewer numbers.

Speaking of bilingualism within the ministry, I would like to ask the minister why his is one of only two ministries that do not have a full-time French-language co-ordinator. When is he going to do something about it? What steps is he presently taking to ensure his ministry does acquire a full-time French-language co-ordinator?

The third item I would raise is not within the direct purview of the ministry. There was an article in the *Globe and Mail* on October 22, 1981, dealing more with the minister in the context of the election process. I just found it interesting reading the headline, "Many Snow-backers With Transport Links."

That is not necessarily a question of blame, because if the minister received the funds, it is all in the law. As he said, he supports the public disclosure of funding. I would just say it does create some sense of uneasiness and doubt about the complete objectivity and impartiality of the minister in all matters relating to these donors.

I realize it puts the minister in a difficult spot personally and it is one not completely of his own choosing. However, it does point out the need for further reform in our Election Expenses Act. Either it should ban corporate, business and union donations altogether, or it should somehow control donations by those directly involved with companies dealing with the ministry.

Fourthly, I would like to ask the minister to bring us up to date on the whole question of polls. What polls has this ministry commissioned this year? How much was spent on those polls? What topics were people surveyed on? What questions were they asked? Would the minister table the results of those polls with this committee? What polls are being—

Hon. Mr. Snow: I have tabled three or four in the House within the last week, I think. Under the new rules, or whatever it is, we just tabled—they have been tabled, have they not, Frank?

Mr. Patterson: Yes.

Hon. Mr. Snow: I signed something the other day to table four or five polls that have been taken in the last—

Mr. Samis: Well, I would ask if the minister could at least address the question and tell us what plans there are in the offing for polls for 1982-83. What is his general view of the value of these polls these days?

I would also like you to give us an explanation on another matter relating directly to the ministry. I respect Rene Levesque for at least saying he believes in sovereignty association. His delegates obviously want more than that, but I have the distinct impression that in this province there is one man who has already achieved functional sovereignty association. That is the Minister of Northern Affairs (Mr. Bernier). It seems to me he virtually controls the north. He has full sovereignty, but when it is to his advantage, somehow he associates with your ministry.

So I would like to know, what role does the Ministry of Transportation and Communications actually play in the north in policy-making? What role does MNA play? Are you really now totally under Leo's hegemony when it comes to anything north of the Severn River? Are we talking about the estimates of the ministry of southern, eastern and southwestern Ontario, but not the north as the result of Bernier's power grab?

Before closing, Mr. Chairman, I want to congratulate the minister for adding a marine dimension to his ministry, because it is necessary. It reflects an important facet of Ontario's transportation picture, even though it is almost all under federal jurisdiction. The Misener report made a series of interesting recommendations about the seaway, the Great Lakes and the overall importance of the shipping industry to Ontario. But almost all of its recommendations fall within the jurisdiction of the federal government.

I welcome the minister's recent statement on the Misener report, but again, much of what he said and recommended lies under the federal government's jurisdiction. I suppose it is a step forward that Ontario is at least taking a stand on marine transport.

If we can use our position to get the feds moving on some of these matters, it will be a worthwhile endeavour and not just another glossy, cosmetic, slick PR effort that will join the legion of dust collectors around this place.

The member for Essex South asked, and I would like to add to his request, that we be provided with some information on the staff in the marine office, the size, the budget and the direction being given to that office.

I would also like to ask if the minister would report to us before leaving the marine field on the new ferry service between Oshawa and Oswego. What was accomplished this year,

what is being envisaged for next year and how does the ministry assess that particular experiment?

Transportation is in a state of transition in Ontario in the 1980s. It is incumbent upon this ministry to adjust to the new realities of the 1980s and ensure we are in the forefront of these changes. Our manufacturing sector, our entire economic development and the lifestyle we have evolved in this province are intricately linked with that process of adjustment.

Mr. Chairman, I thank you and the members of the committee for your patience in listening to my presentation. I look forward to the minister's reply to the various points I have raised tonight. Well, we have an item to discuss in five minutes, point by point or vote by vote and all that.

Mr. Chairman: In the remaining time left here this evening I do not really think it is necessary or appropriate that the minister begin his reply and only get into it for five minutes and have to start anew in our next session. I think maybe the committee members should decide—

Hon. Mr. Snow: It is going to take me at least two and a half hours to reply to all that.

Mr. Chairman: I think perhaps in the remaining minutes this evening, the committee members should decide when you want the representatives of the various boards to appear.

Mr. Samis: I would presume, Mr. Chairman, that Thursday we have to have people here from the Toronto Area Transit Operating Authority and from the Urban Transportation Development Corporation. I think my colleague from Essex would agree there. There is no question of that.

Mr. Chairman: I was going to suggest perhaps we could have those people here on Thursday morning, if that is all right with the other members of the committee. It is up to you people to decide. I am just offering that suggestion. I think we know the—

Mr. Samis: I think Remo is right that we have to have people here from the transport board. My own preference is to spend more time this year with UTDC people and TATO and the OHTB. So I would hope when we invite them it is not just in the context of a one and a half hour span. Maybe we could have them back in the evening if necessary.

Hon. Mr. Snow: Might I suggest we have one group here in the morning session on Thursday? We could deal with them and then go on with the normal estimates for the balance of that two and half hour session and have the other group here in the evening to deal with them, and then use the time up.

Mr. Mancini: Have UTDC here possibly in the morning and have the whole morning for them, and then maybe the transport board—

Mr. Samis: Maybe do it the other way around. Have the other two groups here plus get some of the estimates done and set up the night for UTDC?

Mr. Mancini: That is a better idea.

Mr. Samis: Then we fall into the trap in which nothing else is going to get covered.

Mr. Mancini: But George, that is not our fault. It is the chairman's responsibility to ensure we have space and ample time to discuss the expenditures of \$1.25 billion.

Mr. Samis: If we do not sit tomorrow night, the problem is going to be that the minister replies to everything said tonight, plus TATO, plus the transport board, plus other items.

Mr. Chairman: It is going to be difficult to get it in.

Mr. Samis: It will be impossible.

Mr. Chairman: Are we agreed then as to the procedure on Thursday morning and Thursday evening? Okay. We do have to have time for the minister's reply of course.

Mr. Mancini: That is tomorrow morning?

Mr. Chairman: Tomorrow evening, if there is a session.

Mr. Mancini: Mr. Chairman will make those arrangements.

Mr. Chairman: There will be an announcement made in the House if there is time available tomorrow evening and if all three House leaders are agreed.

Mr. Mancini: I do not know how you expect to get into cabinet if you cannot even arrange 12 hours of estimates.

Mr. Chairman: It is pretty difficult to get 12 out of seven and a half, Remo. We are adjourned.

The committee adjourned at 10:28 p.m.

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Patterson, F., Executive Assistant, Minister's Office



Ontario. LEGISLATIVE ASSEMBLY

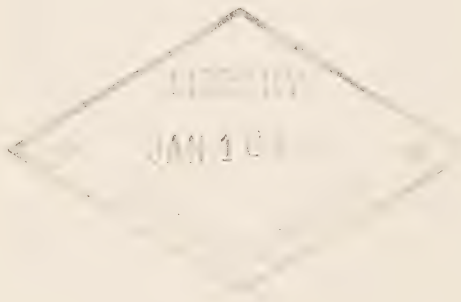
No. I-15

Legislature of Ontario Debates

Official Report (Hansard)

**Standing Committee on Regulations and
Other Statutory Instruments**

Estimates, Ministry of Transportation and Communications



First Session, Thirty-Second Parliament

Tuesday, December 15, 1981

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Tuesday, December 15, 1981

The committee met at 8:04 p.m. in room No. 151.

ESTIMATES, MINISTRY OF TRANSPORTATION AND COMMUNICATIONS (continued)

Mr. Chairman: Gentlemen, I believe we have a quorum. We shall start with the minister's reply to the two opposition critics' opening statements.

Hon. Mr. Snow: Thank you very much, Mr. Chairman. It is my pleasure to have the opportunity to reply to the comments of last evening of my two opposition critics. I regret they are not with us this evening.

Mr. Barlow: They will have to read it in Hansard.

Mr. G. I. Miller: I think they will be along.

Mr. Ruston: If I may interrupt, Mr. Chairman, I know our critic is on his way. We contacted him at six, just as he was about ready to leave. He will be here soon.

Mr. Chairman: I understand Mr. Samis will be here momentarily as well, so we may as well proceed.

Hon. Mr. Snow: Thank you, Mr. Chairman. A number of points were made by both of my critics last evening, to which I am most happy to reply.

Mr. Mancini, the member for Essex South, started his remarks by dealing with the task force on rail policy. He was very critical of the amount of the expenditure by the task force and said he was disappointed in their report, especially the portion dealing with passenger rail. He expressed regret that detailed estimates of the cost of implementation of the many recommendations were not included in that report.

The chairman of that task force worked very diligently for many months, along with a very dedicated group of members of the task force, which included deputy ministers of the government along with representatives of the private sector. They carried out a very detailed

examination of the present rail situation in Ontario and made a number of very worthwhile recommendations.

Mr. Samis in his statements, which I will come to later, asked for response on a large number of the particular recommendations. I will deal with those when we come to that part of my reply.

Mr. Samis: Did you check Hansard?

Hon. Mr. Snow: Yes, we did check Hansard and you were perfectly right.

The report of the task force was not cheap. There was an expenditure of some \$450,000 to complete that report. As you recall, Mr. Chairman, a very detailed first edition of the report, with all the background papers, was supplied. Following that there was the final report of the commission.

There are a great many recommendations, many of which I have no hesitation in accepting. As I said before, some will require further study, and there are a number with which I cannot agree.

The cost of printing the report was a question placed on the Order Paper by the member for Essex North (Mr. Ruston), who was here a moment ago but seems to have disappeared. I am sure most of that refers to the cost of the background papers, which were very detailed. The total cost of printing was \$113,000.

The rail office, which was established a year ago in the ministry to deal with rail matters, prepares presentations on all rail abandonments. For instance, when application is made for abandonment of a line, we make representation before the Canadian Transport Commission.

The rail office comprises a total of seven or eight staff members who deal with all matters relating to provincial input on rail. Although we do not have a great deal of control over rail in Ontario, we certainly have the opportunity at all these hearings to make our presentations; and we have been very successful. The presentations my staff made to the Grange commission hearings and the followup hearings of the CTC on the Grange recommendations were adopted to a considerable degree in the final decision.

Mr. Nixon: Mr. Pepin always listens to you.

Hon. Mr. Snow: As a matter of fact, my staff have been complimented by the CTC on the detail and the substance of the submissions we have made to them.

8:10 p.m.

The second item Mr. Mancini mentioned was the St. Lawrence Seaway task force, which I established under the chairmanship of Mr. Ralph Misener because I felt we needed a great deal more detailed information on the marine mode of transportation in the province, and in Canada really. I feel this has been neglected, both provincially and federally and that we do not realize the significance and importance of the marine mode of transportation in Ontario.

Mr. Haggerty: Why would you enter into a field that is strictly a federal responsibility? You have enough problems now in providing good roadways in Ontario without getting into the marine question.

Hon. Mr. Snow: Mr. Haggerty, that may be your narrow viewpoint, it is not mine.

Mr. Haggerty: You never ventured into it until this past year.

Hon. Mr. Snow: I never got married until I got married the first time, either—

Mr. Haggerty: There is always the chance of a second one, too.

Hon. Mr. Snow: —but I found it a very great relationship.

The marine mode of transportation is very important in Ontario and in Canada, and I felt we needed more information on it. That is why I set up the task force, which is composed totally of volunteers. Mr. Misener and the members of his task force spent a great many hours looking into all the modes and making their recommendations.

Mr. Haggerty: The reason I mentioned this was because I thought when you got into the area of transportation and looked at moving goods, et cetera, you would consider the railroads, because there is room there for improvement, in addition to the passenger service.

Hon. Mr. Snow: If you had been here five minutes sooner you would have heard me reply to questions on the rail task force. Unfortunately you were not. I do not think I wish to take the committee's time to repeat everything that I have just said.

I attend meetings with other ministers of transportation across Canada and with the federal minister. We feel we have a very serious

problem that we must deal with in the years ahead in the movement of bulk commodities in this country. This involves rail, basically, west of the Lakehead, and it involves the seaway east of the Lakehead.

I am told by the western ministers that western Canada has a potential to increase grain production by 50 per cent in the next few years, and there just is not the capacity to move that amount of grain. If we are going to export that grain we have to have the capacity to move it. Moving it east of the Lakehead is best achieved on the seaway.

The recommendations and findings of the task force envisage the tremendous problems associated with capacity of the Welland Canal, which is our biggest bottleneck at this time. They make recommendations on how they think this capacity can be improved.

It is definitely a federal responsibility, but as a province that represents about one third of the population of Canada and a great deal of the economy, I do not think we can sit back and not take an interest in the St. Lawrence Seaway and the Welland Canal when you talk about the movement of commodities.

We made proposals at the last transport ministers' meeting, which was held in Winnipeg last September. Previous to that, at the Premiers' meeting earlier in the summer, a resolution was passed by the Premiers, which I believe was proposed by the Premier of Saskatchewan.

The resolution at our meeting was put forward by the Honourable Donald Orchard, the former Minister of Transportation for Manitoba, and agreed to by all the ministers. It was that the ministers of transportation hold a two-day conference to discuss the future needs for bulk commodity movement. It was agreed unanimously that we should have that conference in February.

We have proposed that on the first day of the conference we bring in the industries—the mining industry, forest products, grain, minerals, potash, et cetera; the coal industry, and perhaps the railroads, the shipping companies and the harbour commissions. They will give us their outlook for the next 10 years on the needs of bulk commodity transportation.

Mr. G. I. Miller: Where is this going to be held, Mr. Minister?

Hon. Mr. Snow: The proposal was that this conference be held in Winnipeg in the month of February 1982. The dates have not been finally established. I fully support it, because I foresee the need for this bulk commodity movement in

the years ahead. Coal moves from western Canada through to the east. If farmers in western Canada produce 50 per cent more grain, 60 per cent of that grain is moved eastward.

I attended a meeting of the Thunder Bay Harbour Commission in Thunder Bay on October 9. They have done an excellent study on the need for harbour facilities in Thunder Bay. Take the grain movement for example: if they want to bring a load of number one western wheat to one of the elevators on the St. Lawrence, it may take four hours to move the ship from one elevator to the other to get the load. If the shipping facilities there could be better organized it would not take as long.

So the Thunder Bay Harbour Commission, in conjunction with the city of Thunder Bay planning department, provincial representatives and federal representatives, has come up with a master plan for the Thunder Bay harbour to improve the rail and shipping access.

The way they load the ships now, most of the ships leave the harbour at the same time. They all travel at about the same speed and they all arrive at the Welland Canal at about the same time of day. Consequently, there are backups at the canal. There are many things that can and should be done to speed up marine transportation, because without a doubt it is the most economical way of moving bulk commodities.

It is not the most economical way if you want to send a five pound parcel some place, but it is if you are shipping a hundred thousand or a million tons of coal or grain. I think the rail or the seaway task force did an excellent job and we are responding to their recommendations. I agree most of it will be input I will make at meetings I will have with the federal ministers.

Mr. G. I. Miller: Could I just bring one thing to your attention, Mr. Minister? There is a similar problem with the corn in southwestern Ontario. The federal elevator at Port Colborne, for example, is not deep enough to handle the ocean-going boats. They have to put a half load on there and then reload down the St. Lawrence. Last year we had 200 million bushels of corn. The potential for growth in Ontario is tremendous. If you are going to take a look at that, I just hope you take that into consideration.

Hon. Mr. Snow: Those are exactly the problems we are trying to ferret out and make recommendations on so we can improve the situation.

Mr. Haggerty: My comments though, Mr. Minister, were not to be critical of your study. I think there needs to be a comprehensive study on the movement of goods by rail, truck and by ships or vessels on the Great Lakes. I do not think you can actually single out one side and say this is what we are going to do. Half of it relates to the railroads, and I think there should be more studies in this particular area because—

Hon. Mr. Snow: In all due respect, Mr. Haggerty, we had the rail task force and the seaway task force; both have submitted reports and made recommendations.

Mr. Haggerty: Well that is related more to the passenger service though.

Hon. Mr. Snow: Not really; they dealt with the intermodal type of transportation, and there are a good many recommendations on that aspect.

I forget which critic asked about the cost of printing the seaway report. It cost \$24,000, which was less than one quarter of the cost of printing the rail report. Of course it was a greatly reduced report compared to the background on which the rail commission reported.

8:20 p.m.

On the third item raised, Mr. Mancini, the Liberal critic, was very critical of myself and my deputy minister with regard to our dealings with the Environmental Assessment Act and the contract on Highway 404 in the region of York. I have to tell you I do not take this matter lightly. I take it \$3,500 less lightly at the present—

Mr. Samis: Is that how you measure it, by the monetary associations?

Hon. Mr. Snow: We can treat it lightly or with some degree of—I do not know really what to say. Anyway, my deputy and I do not treat it lightly.

First of all, about five years ago we made a commitment to the region of York that we would build Highway 404. At that time, the Don Valley Parkway ended at Sheppard. We made a commitment that we would extend it to the north. We would have a continuous program. We would carry out one contract per year. We could not do it as fast as they wanted it, but we would award a contract each year and we would continue the construction of that highway northerly until we got to Davis Drive at Newmarket.

We started that program and we worked on it for about three years. We got up to the Stouffville side road and that section was opened. Then the Environmental Assessment

Act started to apply to our projects. We applied to the Ministry of the Environment for approval on May 15, 1980.

Let me back up a couple of notches here because there are two levels of approval, class one approval and class two.

Class one is for the planning of the route, which really includes locating the right of way and the planning of the project. Then after you receive class one approval, you go back for class two. That includes examination of the detailed drawings of the project; how you are going to cross each stream, build every culvert and so on. This project was in the planning stage many years ago, because the right of way had been purchased as far as Davis Drive back in 1960—

Mr. G. I. Miller: Is that Premier Bill Davis Drive?

Hon. Mr. Snow: No, that has nothing to do with Premier Bill Davis. Davis Drive is a road that runs east and west through the town of Newmarket.

Mr. Haggerty: Sounds like he had a poor lawyer.

Hon. Mr. Snow: No, nothing to do with lawyers. I usually blame lawyers for a lot of things, but I will not in this case. We had the exemption. The cabinet had passed an exemption from the Environmental Assessment Act on many of these projects that were in this advanced planning state. We applied for the class two approval of our detailed drawings on May 15, 1980.

We had scheduled the calling of the contract for February of 1981 so the contract could be awarded—it was rather a large contract, \$10 million or \$11 million—and the contractor would have the full season available for construction. By the time the date came on which we had anticipated calling tenders we still had not received the final approval. However, we had received information from the Ministry of the Environment that the project was coming along and it was going to be recommended for approval.

In the meantime, the tenders were called. Normally it takes about six weeks from the time we call tenders on a project to the time we receive them. During that period, the Ministry of the Environment recommended the approval of the project. That recommendation was received subject to a number of conditions. You had to do this and do that, and check with someone else and so on.

We looked at the conditions. We were quite agreeable to those conditions. The minister had recommended the approval and the tenders for the job came in. When tenders are received, our normal procedure is, of course, to open them publicly, at the Downsview office.

About a week after the tenders were received, I got a recommendation signed by the tenders secretary, by Mr. Gilbert and by Mr. Eadie, the assistant deputy minister in charge of that section of the ministry, for the award of the contract. Along with that recommendation was a letter addressed to the appropriate members of the Legislature—you all get them—saying the contract is awarded. So I signed the award document of the contract and I signed the letter to the MPPs saying the contract was awarded. This is what took place.

Somewhere in that period there was the 30-day period to await the approval of the minister. The 30 days is not from the day I get the letter saying the project is recommended for approval; the date I get the letter does not count. The date which counts is the date the advertisement is placed in the local newspaper, wherever it may be. That is quite often a week, 10 days, two weeks later, depending on the publication of the paper.

The advertisement was published. The contract came in. The recommendation to award came to me and I signed the award. The contract was awarded. Armbro Materials and Construction Limited were the successful bidders. If I recall correctly, there were about a half a dozen bids on that job.

Armbro, being a well-organized contractor, moved in quite quickly with his clearing crew and started cutting down trees. At the same time, the environmentalists who laid the charges came along and found the trees being cut by the group of native people from the Gibson Indian reserve. They took it upon themselves to lay charges because we were damaging the White Rose bog. If I can get this map here for a moment, I just want to show you where the White Rose bog is.

The contract starts south of here down at the Stouffville road, which is the next interchange below this. This is the Bloomington side road. The contract goes up through the Vandorf side road up here, or slightly beyond. This is the right of way for the highway. This is the so-called White Rose bog where the rare orchids were alleged to exist. I have no doubt they do.

Mr. Nixon: They did not like the noise of the traffic up there.

Hon. Mr. Snow: I want to point out there are 530 feet between the White Rose bog and the right of way of the highway. When Sir John A. Macdonald built the CN railroad—

Mr. Nixon: They did not know what they were destroying.

Mr. Chairman: Obviously not.

Hon. Mr. Snow: —they went very close to White Rose bog, but we stayed 500 and some feet away. Our environmental office was not concerned. We were not near the bog. If you look at the contours, there is high land between the bog and the highway. There is no way there is going to be any runoff from the highway into the bog, but anyway, Mr. Varga, is it—

8:30 p.m.

Mr. Gilbert: The Ministry of Natural Resources was not concerned about it.

Hon. Mr. Snow: The Ministry of Natural Resources had not expressed any concern to us regarding this. No one had put any objections in until this particular gentleman submitted his objections.

I have to point out, the last day for objections was the Queen's birthday—the May 24 holiday—which happened to be on a different day from the twenty-fourth. As of that date, there was no objection received, but it was received the next day and if the last day of the period happens to fall on a holiday the Ministry of the Environment's policy is to accept an objection on the first working day following.

Mr. Haggerty: Sounds like they were out to get you.

Hon. Mr. Snow: In any case, that is the situation.

As I say, I do not take this matter lightly. I know my deputy minister does not; neither do any of the staff of the ministry. But I have to admit—I will not say “we” because, in this case, it is my own personal opinion—the Environmental Assessment Act is certainly causing us great problems.

My ministry had an environmental office and was working with environmental matters, as far as the highways are concerned, long before the Environmental Assessment Act was ever passed. In my six and a quarter years as minister I have never had anyone accuse this ministry—other than in this case—of in any way damaging the environment, being reckless with or disregarding environmental matters.

In my personal opinion, the act as it is written

creates a problem in getting ahead with these projects. We have had to ask for exemptions. If the honourable member, my critic, Mr. Mancini, had been here, I would remind him that—here he is. He is coming in now. I would remind Mr. Mancini that one of his pet projects, the E. C. Row Expressway in the city of Windsor, would not be where it is today, by any stretch of the imagination, if cabinet had not seen fit to grant an exemption to that project to get ahead with it.

Mr. Nixon: Point of order, Mr. Chairman. I feel I should make it clear to the minister and for the record that this particular session of the estimates was scheduled, then cancelled, then scheduled again.

Mr. Chairman: I realize that.

Mr. Nixon: As House leader, I have not had an opportunity to inform Mr. Mancini that this was scheduled for now. I am very glad he is now able to be here. So let there not be any implication in the minister's remarks, or in anyone's mind, that he is doing anything but an excellent job as our critic. Now that he is here, he will be able to verify that very much on his own.

Hon. Mr. Snow: No implication was—

Mr. Chairman: I do not think there was any implication at all, I am sure.

Hon. Mr. Snow: I just wanted—

Mr. Nixon: I want it completely understood it was not his doing that this got fouled up 15 ways.

Mr. Samis: May I ask the minister, since Mr. Mancini has come in—I think the main thrust of the comments were partly political, but he did raise two points you have not answered in your own explanation.

You make it sound as if you are a victim of circumstances. Why did you plead guilty and why did you feel the Premier (Mr. Davis) felt it incumbent to make a public statement rapping the knuckles of your deputy and the Environment deputy, which is an extremely rare happening, as Mr. Mancini has pointed out?

Hon. Mr. Snow: First of all, my deputy and I discussed it and there was no way we were going to go to court, take up days of time of the court and create legal expenses. After this matter came to our attention, when we added up the days—obviously when we checked the date of the advertisement in the paper, we checked the

day the contractor started clearing on the site—we had not waited the 30 days. We had started—

Mr. Nixon: It was like breaking the speed limit. They caught him.

Hon. Mr. Snow: We had started a bit too soon. So how could I go to court?

Mr. Samis: So virtually, you are saying you did not have a case that would stand up in court.

Hon. Mr. Snow: I did not have a case and why should I put the lawyers and courts—the courts are busy enough without doing that. We had started a job a week too soon. We readily admitted it. Mr. Gilbert went to the court that morning and acted on my behalf and on his own and said that we plead guilty.

Mr. Samis: I just make the point that the way you have described the unfolding events, you have almost pictured yourself as a victim of circumstance in poorly drafted legislation without any blame or culpability—

Hon. Mr. Snow: I did not say legislation was poorly drafted. I said some of us could not count the days.

I do not have the exact dates here, but from the time we got the letter of approval from the minister, I think we had the 30 days. But from the time the advertisement appeared in the paper—and then the thirtieth day fell on a Saturday of a long holiday weekend. As a matter of policy that was extended by the Ministry of the Environment to the Tuesday following the Monday holiday. That added three more days to the 30 days, which was 33—

Mr. Samis: Have you never encountered that same situation? Have you never had that problem of long weekends and dates, et cetera?

Hon. Mr. Snow: No. This was not the first time, but was one of the first times the ministry had been involved in environmental assessment. We submitted the application, I have to tell you, on May 15, 1980.

We started the job on May 12, 1981. It was one year after we had submitted the application for a class two approval—which is not a route study or anything else, it is just an approval of the detailed drawings to see that the construction work is being carried out in an environmentally sensitive manner.

I am not the one to judge how long it should take to get this kind of approval, but we schedule our projects. I can tell you the date today of the tender call of every project we will be carrying out in the 1982-83 fiscal year.

Mr. Nixon: What about Highway 403?

Hon. Mr. Snow: Yes. I can tell you that date when we get to that vote, Mr. Nixon. So that is how far ahead we plan. We now know the tender date for every job in the next fiscal year and we know the tender date within a month of all the jobs for the next fiscal year beyond that—the 1983-84 fiscal year. That is how far ahead we schedule these projects.

This job was scheduled. We anticipated receiving the approval. The job was approved by the Ministry of the Environment before we awarded the contract. We had the approval letter. The only thing was the 30-day waiting period had not totally expired. Okay?

I was not going to go to court and the deputy was not going to go to court to argue the case. That is why we pleaded guilty. As I said earlier, in cases like the E. C. Row Expressway, a high-priority job with the Ford plant and the things going in down there, we applied for an exemption. We have had other exemptions in the past and I am sure from time to time we will have to apply for more. We now have many applications in before the ministry for approval.

The member for Brant-Oxford-Norfolk (Mr. Nixon) is interested in Highway 403. I can tell him we had a letter today. I have not seen it yet, but one of my staff just told me this evening we have received a letter from the Ministry of the Environment approving the first contract on 403 from Rest Acres Road westerly towards the great riding of Woodstock—Oxford. So we hope that contract will now be able to go ahead this spring, as I had committed and as I had planned. I will count the days very carefully because I cannot afford a second offence.

Interjections.

Mr. Mancini: Have you got me on those questions as well as a reply?

Mr. Chairman: No. I think there have been several interjections by committee members. We are really trying to proceed with the minister's reply, especially in terms of the time we have available. There are some 20 points the minister has to reply to from the two opposition critics' opening statements.

Hon. Mr. Snow: More than that; 30.

Mr. Kerrio: Then may I ask one question as it relates to this issue? It is very important. Mr. Minister, of course, you know my responsibility—

Mr. Chairman: I think you are going to ask the question whether I like it or not, Mr. Kerrio, so go ahead.

Mr. Kerrio: As the critic of Environment I am very interested in this particular aspect. I sort of

have some sympathy with the situation you find yourself in as it relates to this specific area. But you do not sit in isolation. I am sure you sit with the Minister of the Environment (Mr. Norton) in cabinet and make some pretty important decisions.

8:40 p.m.

Do you not find it rather odd that they could forgo hearings on putting a cable across Lake Erie where we are going to burn untold tons of coal and dump acid rain all over Ontario? They are willing to forgo environmental hearings and yet they spike your hide to the wall on a situation that exists on this one.

Hon. Mr. Snow: I have several observations I could make to that. First, I do not think that decision has been made yet. Secondly, my personal observation is I do not know how you carry out an environmental assessment half way across the lake and stop, because we have no—

Mr. Kerrio: I am thinking of the impact on us from the coal burning at Nanticoke.

Hon. Mr. Snow: We have no jurisdiction once we get to the other half of the lake.

Mr. Kerrio: No. It is what we are doing here in the generating end that is going to cause the environmental impact.

Hon. Mr. Snow: What was my other point? I had something else. First of all, it was not the Minister of the Environment who nailed my hide to the wall, as you say. It was a private citizen who—

Mr. Kerrio: He provided the vehicle.

Hon. Mr. Snow: It was a private citizen who laid the charges.

Mr. Kerrio: Yes.

Hon. Mr. Snow: It was not the Ministry of the Environment.

Mr. Kerrio: It seems unfortunate.

Hon. Mr. Snow: No, do not get me wrong. I fully support the Environmental Assessment Act. There are other ministries which are very much involved in operating under the act. It is a learning process. It is a new act. We are just getting into the projects that have come before the act. I think things will go much more smoothly.

It is just like the Expropriation Act. If you go back to 1968 when the new Expropriation Act came in, it completely changed the method of expropriation. It is a much more long-drawn-out process now than it was with the old act. The

federal act today is a cinch. The railroads and the different people who operate under the federal act just—

Interjection: Railroad anything.

Hon. Mr. Snow: They just move in, they plan, the land is theirs and they start the project the next day. We do not have any trouble with the Expropriation Act now, because we have built in the advanced timing that is required to go through all the procedures. So when we have to expropriate land, it is very unusual if it delays a contract because we have built in the lead time necessary.

We are trying to build in the lead time necessary for the Environmental Assessment Act. But, as I say, this was one of the first projects that went through the act. I guess it turned out to be an unfortunate and expensive situation. Didn't it, Harold?

Mr. Gilbert: Right.

Hon. Mr. Snow: Yes.

Mr. Chairman: Gentlemen, I think we should proceed with the minister's reply. We only have two and a half hours for his reply, otherwise we are going to start eating into the time on Thursday morning when members of the committee want representatives of various boards and commissions here.

Hon. Mr. Snow: I am only on the third item of the 25.

Mr. Chairman: That is correct.

Mr. Mancini: Mr. Chairman, excuse me, I just want to ask the minister if he is finished with his comments concerning the matter of Highway 404.

Hon. Mr. Snow: I would say yes. I have placed before the committee my explanation of what took place and the details leading up to it. I do not think I have anything more to say on that. I regret it happened. I hope it never happens again. As I said, I do not take the matter lightly at all.

When this matter came to light, in order not to delay the contract, cabinet granted an exemption for the project, even though it had been approved by Environment. That eliminated the Minister of the Environment having to deal with the application for a hearing under the Environmental Assessment Act. If that hearing under the Environmental Assessment Act had been granted, it probably would have delayed the project a minimum of one year, but more likely two years, and would have probably added \$2 million to \$3 million to the cost of the construction.

Mr. Gilbert: I would say as well, Mr. Minister and Mr. Chairman, that the request for the hearing was in regard to moving the alignment. As the minister has said, the property, the alignment—

Hon. Mr. Snow: The alignment had been approved.

Mr. Gilbert: The alignment was approved and the property purchased in 1960. That was what the request for the hearing was all about—moving the alignment away from the White Rose bog. I know, Mr. Mancini, you were not here when the minister was showing it on the plan, but the White Rose bog is already 500 feet from the edge of the right of way.

Mr. Mancini: I appreciate the technical points and whether or not there was a major indiscretion, or whether or not it would have caused major environmental problems. I appreciate the point you are trying to make. However, in the view of the law, once the decision is rendered the minor indiscretions or the technical reasons are really not the focal point of the issue. The issue is whether or not the law as passed by the Legislature of Ontario will be obeyed.

Please accept my apologies, Mr. Minister, committee members and staff, for not being here earlier, but did you mention if you had received any indications from the Ministry of the Environment as to whether or not you should proceed on this matter before the extension? I wondered if you referred to any correspondence you may have received from people in the Ministry of the Environment.

Hon. Mr. Snow: I covered all this earlier. I stated that we had received approval of the project from the Ministry of the Environment, with a recommendation.

Mr. Mancini: Did you mention that you had received a memorandum from the Deputy Minister of the Environment, Mr. Scott, stating, more or less, that if you proceeded you proceeded at your own risk?

Hon. Mr. Snow: Yes, but I am not talking about that document. That document came later. We had received the approval of the Ministry of the Environment.

Mr. Mancini: Let us stick with this particular document.

Hon. Mr. Snow: No, I will stick with the first communiqué that we got, if you do not mind.

Mr. Mancini: I do mind, but go ahead.

Hon. Mr. Snow: Thank you, I will go ahead. We received a letter of approval from the Ministry of the Environment with a number of conditions attached to it, with which we were in agreement.

Mr. Mancini: Did you meet all those conditions?

Hon. Mr. Snow: Yes, all those conditions have been met. We were in agreement with those conditions.

Mr. Mancini: If you met all the conditions, why were you charged?

Hon. Mr. Snow: We were charged because we awarded the contract and the contractor started clearing the right of way prior to the end of the 30-day waiting period that is required.

Mr. Mancini: You did not meet all the conditions, then.

Mr. Chairman: Mr. Mancini, we have already gone over this ground earlier in the committee.

Hon. Mr. Snow: I have already explained that the date we received the letter of approval does not count in the 30 days. The 30 days is counted from the date the Ministry of the Environment advertises in the local paper. This is one of the first projects that had been processed in this manner. We started the job, and we readily admit that, several days before the end of the 30-day period from the date of the Ministry of the Environment's advertising in the local newspapers took place.

Mr. Mancini: Mr. Minister, the point is that you have been in this ministry for at least six years and Mr. Gilbert has been here a lot longer than that. I do not think you can plead ignorance of the law.

Hon. Mr. Snow: I did not plead ignorance to the law. You can be as snotty as you want but I did not do that.

Mr. Mancini: I do not think I interrupted you in that fashion, sir.

Mr. Chairman: With all due respect, Mr. Mancini, I do not think interruptions of the minister's reply are allowable in any event.

Mr. Mancini: With all due respect to you, Mr. Chairman, if you had been here significantly longer than you have been you would have attended estimates meetings where quite a bit of questioning occurs during the minister's response to the opening statements. I am not breaking any traditions.

Mr. Chairman: You can run your committee the way you want to, Mr. Mancini. I will run mine the way I want to run it.

The committee meeting started at 8 p.m. You had the same notice as any other member of the committee. You are rehashing ground the committee members have already gone over. As I recall, you were the one who last evening wanted to make sure we got the appropriate number of hours in. Now you are wasting the time of the committee when we are on the third of over 20 items the two opposition critics want a reply to this evening.

Mr. Mancini: It is not your position to judge whether my questioning is a waste of time. You are overstepping your bounds if you think you can do that.

Mr. Chairman: It is my position to allocate time over the committee's agenda, as was quite properly pointed out to me by you last evening.
8:50 p.m.

Mr. Mancini: Secondly, by your own admission, I have not taken up any time at all of the committee yet this evening by questioning the minister. I do not believe you have any authority to deny members of the Legislature and members of this committee the opportunity to question the minister when he is giving the responses.

What in the devil is the use of asking questions in advance if you cannot question the minister when he gives the responses? I would hope that you might attend other committees so you would realize that the critics ask, and continue to ask, the minister questions after the opening responses.

I want to know from the minister if he replied to this committee whether or not he received a document from the Ministry of the Environment informing him that if he proceeded on this project he would do so at his own risk. The deputy minister, one of the most senior officials in the entire government, warned this particular minister that he should not proceed, but they proceeded anyway. I wanted to know if he brought that to the attention of this committee and, if he did, in what context.

The minister chose to refer to a different document from the one I was talking about and I referred him back to the original document I had mentioned. Once we clear that out of the way, Mr. Chairman, you can have the floor back and you can run the committee any way you wish. But I must tell you you have to run the committee in accordance with the way the members want to run the committee. With all due respect I tell you that, Mr. Chairman.

Mr. Chairman: Thank you for your lecture, Mr. Mancini. I am a member of several other committees. The point I was trying to make to you is that the committee meeting started at eight o'clock. With all due respect to you I suggest that if you wanted to hear the response to the first three items on the agenda you should have been here at eight o'clock as the rest of the committee members were.

We have already gone over this ground. If the minister wants to rehash the same ground that other committee members have already gone over, I will leave it to the minister to do so.

Mr. Mancini: I could have asked about the reports, about the rail report, about the marine report, if I wanted to.

Mr. Barlow: On a point of order: I have been here since eight o'clock, and so have a number of us. The member came in late. It is unfortunate that he had other commitments but that is the way things go, I suppose. I think Mr. Snow covered several points before Mr. Mancini got here. To those of us who have been here since eight o'clock, we are going over the ground covered by answers which may be seen in Hansard in a day or two.

Mr. Chairman: Mr. Miller, on a point of order.

Mr. G. I. Miller: In all fairness, I think this issue was raised by our critic. While you might say, Mr. Chairman, that he should have been here at eight o'clock, I do not think we were notified in time. This meeting was organized quickly and it is not fair to our critic.

I think a simple answer could be given to his satisfaction on this issue. We are going to have 10 hours at the outside to deal with all the estimates this year and it will be necessary to get some of these key responses as we go along. I do not think what our critic is asking is unreasonable.

Mr. Chairman: Mr. Miller, your point of order is well taken. As I have stated three times now, the only point I am trying to make is that I believe this issue has already been dealt with. If the minister wishes to rehash it, that is his privilege.

Mr. Mancini: It has not been dealt with. The member for Cambridge (Mr. Barlow) with all respect, Mr. Chairman, said that several points had been brought up this evening. I respected the members of the committee and did not ask about the rail report or about the seaway report. I came in just at the time that the minister was talking about the matter of Highway 404. I have

not asked any questions about anything he discussed prior to this particular issue. He seemed to have finished with his comments.

I asked the minister whether or not he brought to the committee's attention the memorandum sent to his ministry from the Deputy Minister of the Environment. I did not question him on anything that proceeded in this committee prior to that point. The minister referred to a different memorandum. I have still not been able to ascertain from the minister whether or not he brought to the committee's attention the memorandum I referred to.

That is my question and it is right on target. I am not offending any members of the committee. I am not going back to what was discussed at 8:05; I am going back to what was being discussed at 8:30 when I walked in.

I want to know, Mr. Minister, whether or not you brought to the committee's attention the memorandum from the Ministry of the Environment, in which it was clearly stated that, if you proceeded on Highway 404, you did so at your own risk.

Mr. Chairman: Please proceed, Mr. Minister.

Hon. Mr. Snow: I answer that by saying, to my knowledge that memorandum was not addressed to me. If there is a memorandum it was not addressed to me or to my office. Hundreds of thousands of pieces of correspondence arrive in my ministry that are not addressed to me. I did not receive any such memorandum.

Mr. Mancini: To whom was it addressed?

Hon. Mr. Snow: You have the memorandum in front of you. It was not addressed to me. As to whether it was addressed to Mr. Gilbert, or whether he saw the memorandum, I will let him answer.

Mr. Gilbert: Quite frankly, Mr. Chairman, whether it was a memorandum or not, this is a matter which was dealt with in the Premier's statement to which Mr. Mancini referred last night. The Premier made a statement on the actions of both myself and my colleague, Mr. Scott.

There is no denying that I discussed with Mr. Scott the whole problem of getting on with this project right from the time, as the minister has said, that these conditions were laid on us. The Premier referred to this. In fact, if the committee wants that to be tabled here, I am quite prepared to do so. We went over this ground with the Premier and I acknowledged that whether it was through a memo or through a

conversation, Mr. Scott and I certainly discussed the ramifications of proceeding with this contract.

Mr. Mancini: That is a very curious answer, if you do not mind my saying so, Mr. Gilbert. Working, as I do, outside the cabinet system, I have always assumed that when a person received a memorandum which in essence raises a red flag, one which says, in effect, "If you proceed, you proceed at your own risk," one would automatically assume it would immediately be brought to the attention of the minister.

Surely there must have been a breakdown in the system for the minister not to know that such a memorandum existed. I want to know if that memorandum was brought to your personal attention.

Mr. Gilbert: I will say again, Mr. Mancini, that this whole matter was gone over with the Premier and with cabinet. I certainly was aware of the fact that the requisite number of days had not passed. I was reprimanded by the Premier. I paid the price of \$2,800 in the court. In other words, I was dealt with in two courts, by the Premier and the cabinet and also by the court in the fine which was imposed on me.

Mr. Mancini, you can go through all this again if you wish. I have said it over and over again, the minister has said, over and over again tonight, that, yes, we proceeded before those days were up.

As the minister recounted to this committee at the beginning, we proceeded on the basis of the problems, on the basis of getting on with that contract. We did so before the days were up and that is why, as he has said, we both pleaded guilty to the fact.

One member, I think it was Mr. Samis, said, "Why did you plead guilty?" We said we pleaded guilty because we knew we were guilty and there was no use taking up the time of the courts. How much more can I say about that, Mr. Mancini?

Mr. Mancini: I think you are missing the main thrust of my comments and the point I am trying to get at. I want to know basically how the system works. I am having trouble understanding that from your answers, sir.

What I want to know is, when someone from the Ministry of the Environment, or any other ministry, sends a senior official in your ministry a message that says if you proceed, you proceed at your own risk, is that not signal enough that

the minister should automatically be made aware of it? We want Mr. Snow to be aware of these things.

Mr. Gilbert: The minister was made aware.

Mr. Mancini: Of that memorandum?

Mr. Gilbert: Not of the memorandum. I would like to see your memorandum, as a matter of fact.

What I am acknowledging was that Graham Scott, my colleague, told me that if we proceeded for all the reasons the minister talked about tonight, we were proceeding at our own risk.

9 p.m.

As the minister has said right from the beginning, the days did not start when we received the letter from the Minister of the Environment pointing out the conditions we had to live with. We wrote a letter back to that minister saying we were prepared to live with those conditions, but the days counted from when the ad went into the paper.

As the minister said earlier, when we came to the point where a contract was about to be awarded, the days had not gone by completely. I was aware of that. That is why we have pleaded guilty; I pleaded guilty.

Mr. Mancini: Your answers bring more questions to mind. As a person with significant experience within the civil service and one who holds a very high office, one would automatically assume—and please correct me if I am wrong—that when an issue is red flagged the way this particular issue was, and when it is stated boldly that if you proceed you proceed at your own risk—the particular memorandum which stated that was not brought to the minister's attention. That is what he says from his comments and I certainly accept what the minister says with complete integrity.

I am still not aware of whether or not you, yourself, or whether this particular memorandum—it seems to me the answers you have given to this committee—

Mr. Gilbert: Who is the memorandum addressed to?

Mr. Mancini: I will have copies for all the members at the next committee hearing.

Mr. Gilbert: Could you answer me?

Mr. Mancini: I cannot at this point, sir. I am sorry, but—

Mr. Eaton: If you want to talk about it, let us have them now.

Mr. Mancini: I can have copies made. I can do that in five minutes.

Mr. Gilbert: I am acknowledging that Mr. Scott and I discussed this project. I am also saying there were a number of risks. The minister has mentioned the number of risks involved. It was not just one risk on one side; there were a number of risks—and, I might say, there are risks involved practically every time we make decisions.

Mr. Mancini: Yes, I agree with that. Give me one more minute, Mr. Chairman, and I will give the floor right back and I will be finished.

I am thinking of the ordinary man on the street who picks up the paper and reads, "Minister And Deputy Minister Fined For Contravention of the Environmental Assessment Act." He is probably thinking: "Well, there must have been a breakdown in the system because these things do not usually happen. I wonder how this occurred."

As a member of the Legislature I also wonder how this has occurred. I agree with you entirely on the basic answers you have given us tonight. Yes, you proceeded although you were aware that a certain amount of days, which was the legal limit, had not passed. I accept that and I accept you have been fined. I accept you were punished twice and maybe you were punished twice unfairly.

Mr. Gilbert: I am not saying I was.

Mr. Mancini: Well, that is my comment. But as the critic for this ministry and as a member of this Legislature, I am still not aware as to how the system broke down. How were these bits of information transferred from the Ministry of the Environment to your ministry?

I wonder how, in the system of transfer, for some reason or another, it did not seem to be significant enough for yourself or for the minister to say: "Hey, wait a minute, we are going to really get caught in the wringer here. We are going to hold this thing. It is only a matter of a few days. Let us make sure we wait and then we will go and we will be clean." That is a fundamental issue to me.

Mr. Gilbert: To answer your question as to how the system works: As the minister has said earlier, this is a new act. This is new not only to this ministry but to the Ministry of the Environment and the system has worked with extreme difficulty.

I think all you have to see or have to remember is that we did submit this one year in advance. We had discussions with the Ministry of the Environment all the way through, wanting to know where the thing stood for the very reasons the minister mentioned.

There have been extreme difficulties. My staff have spent an awful lot of time with the Ministry of the Environment, trying to fine tune the system. I am not being critical of the Ministry of the Environment's staff and I am not being critical of my staff. What I am saying is there have been a lot of problems.

As the minister has said on several occasions, this whole business of the time taken from when we receive approval from the minister and how much time it takes to put it in the paper, which is three or four weeks or something after that—and that is the time that starts; the days start clicking off after that—that looks great now, but as the minister has said, this was one of the first projects we went through. Those are the kinds of things we learned as we went along. Both the minister and I have paid the price for it.

To answer your question as simply as I can, there have been extreme difficulties with the mechanism of making that act work. I, like the minister, support the act and I say, as he has said, that through problems such as this, both ministries are going to make it work. All ministries are going to make it work, but there have been difficulties with it. We would be less than honest if we did not say there have been. There have been a lot of problems with the Environmental Assessment Act.

Mr. Chairman: Mr. Minister, would you please proceed with your reply?

Hon. Mr. Snow: I have some difficulty in remembering where we were. Mr. Chairman, I will not dwell at great length on this next item mentioned by Mr. Mancini. It has been discussed in the House and it is regarding the Urban Transportation Development Corporation. Mr. Foley, the president of UTDC will be with us on Thursday evening and we will be prepared to discuss it in detail.

The member questioned about us having offices across North America. UTDC does have one office in the United States. UTDC does have a subsidiary company; I believe it is called UTDC United States Incorporated.

In order to do business in the United States we are required to have a company there to handle the business in the United States. After all, UTDC technology has been approved by the Urban Mass Transit Administration, which is the federal transportation organization in the United States, as an approved technology for transit systems there. So we do have an office in the United States. What is the location of that office? Arlington, Virginia.

Mr. Mancini: Do you have any suboffices?

Hon. Mr. Snow: Not to my knowledge. When we were bidding on the Miami contract, for instance, I believe we rented a temporary office in Miami during the bidding on that contract. We probably had one in Los Angeles for the bidding on the Los Angeles contract and, if we do not have one, we no doubt will have a suboffice in Detroit for the administration of the Detroit contract.

Mr. Mancini: Can I assume then the Los Angeles and the Miami offices are now closed?

Hon. Mr. Snow: Yes. I think you can ask Mr. Foley that in detail. I am sure the Miami office is closed. I am also almost positive the Los Angeles one will be. But there may be an office at this time in Detroit because we are actively working on that project at this time.

The question was raised regarding the manufacturing joint venture agreement that has been entered into between UTDC and TIW Industries. This again, has been discussed in the House today and other days.

It has always been the intention of UTDC when we went forward after the technology was developed into the actual putting in place of transit systems. I must say, these transit systems are a turnkey type of contract. You do not just sell the cars or the signals or the rails or whatever. You sell a system put in place. That is the way the purchasers of this type of system want to buy it.

It was always the intention to have an assembly plant at the Kingston test site location to assemble the components manufactured by dozens of different companies across North America, and maybe beyond, which supply different components to make up this total project.

9:10 p.m.

Some months ago, a decision was made that the actual car body should be manufactured at the test site. It is essential the total project be assembled at the test site, so these vehicles can go out on the test track. If there are problems of any kind, the vehicle can be brought in, checked out and put back out on the test site. These vehicles will all be totally and thoroughly tested at the Kingston site before they are delivered to any project site, whether it be Vancouver, Detroit, Scarborough or elsewhere.

I spent two and a half hours this afternoon, with the Save Can-Car committee from Thunder Bay. The Premier and I met with them from three o'clock until 5:30 this afternoon. We recognize their concerns. We asked for propos-

als from five different companies to submit to this joint venture agreement. They were: Hawker Siddeley, Bombardier Industrial Tractors, TIW, Vickers and McDonnell Douglas. Those five companies submitted proposals. They were thoroughly evaluated by the officials of the Urban Transportation Development Corporation and by the board of UTDC and the TIW contract was accepted.

We recognize the problems in Hawker Siddeley. As I said in the House today, a couple of months ago we awarded a \$60 million contract to them for another 71 GO Transit cars. Adding up the contracts, we have awarded \$250 million worth of contracts to Hawker Siddeley within the last 10 years. I should not say "we have;" it is between the ministry, Toronto Area Transit Operating Authority and the Toronto Transit Commission, of which we pay 75 per cent.

When you add up the contracts which Hawker Siddeley has had for transit equipment in Ontario, it totals \$250 million approximately since 1970.

As one of the five bidders, Hawker had a full chance to be the successful proponent on this contract. Unfortunately when the proposal they submitted was evaluated, it did not stack up with the others.

UTDC have major contracts. They have almost a billion dollars' worth of contracts to deliver over the next five years. Scheduling and quality control are very important. I have charged the directors, the management of UTDC, with the proper and efficient administration and operation of that company. I have to respect their judgement in the decision they made. I have no reason to doubt it.

Mr. Brandt: May I ask a supplementary on that question? In the case of sales to the US market, has there been any request on the part of the purchasers for American content with respect to the total package? Are they demanding anything like that in terms of the components for the various parts?

Hon. Mr. Snow: Yes, the US government does have an American-content requirement. With the intermediate-capacity transit system the cars themselves, which will be manufactured in the joint venture company in Kingston, are not the major component. They are not a minor component, but when one considers all the engineering services, the guideway, the rail and ties, the electrical system, the control system, I think that amounts to some 57 to 60 per cent of the total content. Naturally those items are going to be local. The Vancouver

contract means that Vancouver workmen and contractors will be building the concrete guideway, laying the rail, installing the transformer stations to power the unit and all the electrical work.

The rail for the Canadian project will probably come from Algoma Steel in Ontario, which I believe is the main manufacturer of rail. In the United States, for instance, or Detroit, probably the rails for that area will come from an American steel company, although the technology is ours. The cars for Detroit will be manufactured in Kingston.

Mr. Mancini: Mr. Minister, I want to focus on the contract that has been awarded to TIW Industries.

Hon. Mr. Snow: It is not a contract, please understand that.

Mr. Mancini: All right. What terminology would you wish me to use?

Hon. Mr. Snow: It is an agreement, a joint venture agreement. It is just like Remo Mancini and Jim Snow deciding that we were going to put up X number of dollars each and we were going to start to start an Irish-Italian restaurant across the street.

Mr. Mancini: With your money and my brains, we could do quite well. I am sorry for that, Mr. Minister.

Hon. Mr. Snow: That money did not come without the other.

Mr. Mancini: You are right, of course.

Mr. Samis: May I ask the minister one quick supplementary? I assume that when Mr. Foley is here we will get into more detail. Can the minister tell us what impact the Reagan administration has had on the overall process of American content? Have they toughened it, have they been more stringent or has it made any real difference?

Hon. Mr. Snow: Mr. Samis, I do not think the Reagan administration has changed the content rules. That administration has tightened the purse strings considerably.

Mr. Samis: Yes, I know that.

Hon. Mr. Snow: That is what happened in Los Angeles. UTDC had legitimately gone through all the tendering process, had been recommended by the different advisory committees and it had been adopted by the council, I believe, that UTDC would get the contract. Then the Reagan administration withdrew the federal funding from that project.

As to Detroit, I was advised by Mr. Foley this afternoon that the budget was voted on in Washington this morning and passed.

Mr. Samis: Budget for what?

Hon. Mr. Snow: Do not ask me.

Mr. Gilbert: The Detroit project.

Hon. Mr. Snow: The overall expenditures of whatever it was. I do not totally understand the process in United States funding and the way they deal with it.

UTDC has a letter of intent from Detroit for the award of the contract for some \$120 million for the initial system in the city of Detroit. That is not a contract, I point that out. It is not a firm contract at this moment. The letter of intent was signed a couple of months ago, but it was dependent upon federal funding. Mr. Foley advises me that decision, the estimates of the department of transport, or wherever that money is included, was passed in Washington today.

Mr. Samis: So the project has the green light?

Hon. Mr. Snow: The funding for the Detroit project. In the interim we have the letter of intent. I am told that the draft agreement has been drawn and basically now remains to be signed. We do not expect any difficulty because it has been passed all the way along. I understand the agreement now has to be forwarded to Washington for their approval, it has then to be sent back, and then it can be signed by the city of Detroit and UTDC.

Mr. Samis: Just so that I get it straight, Los Angeles is dead?

Hon. Mr. Snow: I am not saying LA is dead at this moment, but there is no money, and you do not build transit systems without money. If money became available tomorrow, they would immediately be interested.

Mr. Samis: As of now, Detroit has the money, whereas LA has not?

9:20 p.m.

Hon. Mr. Snow: That is my understanding.

Mr. Samis: What about the Miami project?

Hon. Mr. Snow: We were not successful in Miami.

Mr. Samis: Regardless of funding?

Hon. Mr. Snow: Apparently regardless of funding. I believe Westinghouse, which was our big competitor in Los Angeles as well, was the successful bidder in Miami. I do not think that has gone ahead either, because of money.

Mr. Samis: We were bidding on three projects essentially. I assume Mr. Foley will give us more details.

Hon. Mr. Snow: We were bidding on three main projects—Detroit, Los Angeles and Miami. It would appear now that we have the Detroit project. We have the letter of intent signed and are awaiting the federal budget approval. That apparently was received this morning. We hope that within a matter of weeks the contract will be signed. But in the meantime, certain work on design and preparation is being carried out.

Mr. Samis: Mr. Foley will provide us with the full story?

Hon. Mr. Snow: Mr. Foley will be here Thursday night and will provide you with the full details.

Mr. Mancini: Can I talk a little bit about the basic philosophy of the Urban Transportation Development Corporation? You may recall, Mr. Minister, that last night I stated it appeared as if public enterprise, government enterprise, is replacing what private enterprise could do. Could you give us more information concerning the agreement between the UTDC and TIW Industries?

There have been rumours that the TIW people have never undertaken any such enterprise before. There have been rumours that this particular—

Mr. Samis: Allegations.

Mr. Mancini: Yes. There have been allegations that this particular company is not on a sound financial footing.

To a person viewing this matter from the outside, the whole issue of UTDC and TIW in a joint venture seems to distort the whole tendering process, if I may use that phrase. You said that five companies, TIW being one of them, had the opportunity to bid on this work. Did the other four have the same opportunity of going into a joint venture with UTDC as TIW did?

Hon. Mr. Snow: By all means. Every one of the five companies chosen had either expressed an interest or were considered as being the ones which would probably be interested in such a joint venture. McDonnell Douglas, Hawker Siddeley, TIW, and Bombardier and Vickers, from Montreal, were all asked to submit a proposal to join with UTDC in a joint venture development for the manufacture of the car bodies and the assembly of the cars. The five companies all had the same opportunity to submit their proposals. The proposals were

received and evaluated according to a number of criteria and Toronto Iron Works was the one that was chosen.

To go on with the rest of your question, I saw TIW's financial statement a number of months ago. Toronto Iron Works' president came to see me a few months ago when they were considering entering into an agreement with Quebec interests for the purchase of Nordair. They were one of the groups that were at one time proposing to purchase the Nordair airline.

Toronto Iron Works is a company that has been around as long as I can remember. Central Bridge Company in Trenton, which is one of their divisions, has certainly been around as long as I can remember and probably longer than anyone in this room can remember. It is an old established metal manufacturing company.

They have never manufactured rail cars, but I never built a house until I built the first one, I never built a school until I built the first one and I never built a church until I built the first one. Putting nuts, bolts, nails and boards together is a process and it is not particularly different because it is a car body. It is the metal manufacturing process we are talking about, not the very sophisticated electronic gear that makes up a big portion of this thing.

Because of the sophistication of this unit, UTDC felt they had to have close control over the quality of the end product. They wanted to have it available to the test centre. Because they are selling a turnkey system that has to work, they wanted very close control of the quality control process of the finished product.

Mr. Mancini: I understand that. Was it made clear to the four companies who were not successful in this bidding that a new facility would be constructed, such as the one that is being proposed in the Kingston area?

Hon. Mr. Snow: Yes, that was in the proposal. I believe three of the companies' submissions were for the new plant.

Mr. Samis: Was Hawker Siddeley one of those?

Hon. Mr. Snow: Hawker Siddeley proposed to build the car bodies in Thunder Bay. If the car bodies had been built in Thunder Bay, it still would have required the construction of the assembly building at the test centre. I recall that McDonnell Douglas also proposed to build the car bodies in their Malton plant at Toronto International Airport.

The other companies that proposed to enter into this joint venture agreement felt that a

larger building should be constructed at the place where the car bodies were to be manufactured rather than just the assembly plant being built at Kingston, in order to save all the shipping charges and so on.

Mr. Haggerty: Are these cars of welded construction?

Hon. Mr. Snow: Basically the whole car is aluminum and the welding is heliarc. The tooling is being designed and produced by UTDC, I believe. It would have been available for whoever built the cars.

Mr. G. I. Miller: How are they transported to the site from that point—to Detroit, or wherever they go?

Hon. Mr. Snow: Once the complete car is built and tested, if it is going to Vancouver, I am sure that it will be shipped by rail, loaded on a flatcar.

Mr. G. I. Miller: A special car?

Hon. Mr. Snow: No, I do not think so. They are not big units, you know. These units are about 10 or 12 metres long. They will be shipped to Vancouver the same as a piggyback trailer is put on a flatcar and shipped.

Mr. G. I. Miller: I suppose what I am asking is they could also be shipped from North Bay to the site, too?

Hon. Mr. Snow: Oh, yes. The car body could have been manufactured in North Bay. If Hawker Siddeley had put forward a competitive bid in their proposal, the car body could have been made and shipped from there. The wheels and so on could have been put on in Kingston. But we would still have needed the assembly plant in Kingston.

Mr. Samis: Just for clarification, I understand that three of the five bidders offered to go into joint ventures and two declined.

Hon. Mr. Snow: They all offered joint ventures, I believe.

Mr. Samis: All five did?

Hon. Mr. Snow: I believe all five offered joint ventures.

Mr. Samis: That was not the condition of the tender, though, was it?

Hon. Mr. Snow: That was a condition of the tender. The call was for the companies to put forward proposals for a joint venture to manufacture these cars. In the McDonnell Douglas and Hawker Siddeley proposals, both proposed to manufacture the cars in their existing facilities.

Mr. Samis: There was nothing in the tender insisting on production at the Kingston site, you are saying. You left the option to the bidders as to where they would actually have the production facility?

Hon. Mr. Snow: When you ask for proposals on this type of thing you leave a great deal of the initiative up to the people putting forward the proposal. It is not like calling tenders on bids where every line is drawn.

Mr. Samis: That is what I am trying to get clear. What were you insisting on when you opened the bids?

Hon. Mr. Snow: When you get down to those kinds of details, you should wait until Thursday evening to discuss it with the management of UTDC.

Mr. Samis: I think that sort of thing would have a fair amount of relevance to what my colleague, the member for Port Arthur (Mr. Foulds), has been raising in the House during question period. I will accept your suggestion that we wait until Mr. Foley is here.

9:30 p.m.

Mr. Chairman: Gentlemen, I would suggest that we move along with the minister's reply. We have spent some 25 minutes on item 4. At this rate I think we might be on item 17 by Thursday night at 10:30.

Hon. Mr. Snow: Mr. Mancini mentioned the cost of these transit lines: why was the Toronto waterfront line supposed to cost \$90 million while TTC are now estimating \$170 million? I would point out first that it was never supposed to be \$90 million, it was supposed to be \$100 million. The original guesstimate back in 1978, and that was in 1978 dollars, was \$100 million, but that was a very preliminary estimate.

The TTC, in their forward planning, taking into consideration that this system is probably going to be built, if it is built, during 1983-85, or 1984-86, had to take into consideration inflation; they built in an inflation factor which took the \$100 million in 1978 dollars through to about \$170 million in 1985 dollars.

As a matter of interest, I was reading the paper last night after I went up to my apartment after these estimates and I noticed that the pipeline the federal government has just approved to be built to Nova Scotia was originally estimated at \$1.2 billion and now it—

Mr. Mancini: We have a shortage of time here; we cannot be dealing with federal issues.

Hon. Mr. Snow: I am not dealing with federal issues, I am indicating by way of comparison that when the pipeline was proposed a couple of years ago it was a \$1.2 billion project and now it is a \$2 billion project.

Mr. Mancini: I am sure Joe Clark will bring that to the attention of the proper authorities.

Hon. Mr. Snow: I am sure he will.

Mr. Mancini: The fact is we are dealing with your projects here, Mr. Minister, and they are away out of line.

Hon. Mr. Snow: That is the reason for the difference in the estimated costs. As I explained to the Thunder Bay group today, our contract with Hawker Siddeley, for instance, for the 71 GO Transit cars we just bought, is predicated on a base bid plus an inflationary factor based on the manufacturer's cost index—not the consumer price index but a similar industrial index.

For instance, the first car delivered out of that plant, one year from now approximately, will cost less than the last car that is delivered, a year later, because the increased costs for labour, materials and so on are built into that kind of an index.

Mr. Haggerty: Is that something new that has been added to contracts?

Hon. Mr. Snow: No, that is not new, that is a usual process now in long-term contracts. In contracts that cannot be delivered within one year, it is normal for an extra. We had that in our contract for the first 80 bilevel GO cars back four years ago.

Mr. Haggerty: Would it be worth while estimating how many cars you will need in that one year and then call tenders again the following year?

Hon. Mr. Snow: No, because you would still encounter the same increase and you would not have the benefit of the volume on the order. To order 10 cars a year every year, rather than buy 50 one year and none for five years, would not be—

Mr. Haggerty: Yes, but there is too much fluctuation in that area. I think many of these industries today are looking to other suppliers and they are buying materials pretty reasonably.

Hon. Mr. Snow: If you go up to de Havilland and buy a new aircraft today, if you place an order for a Dash-7, or if you go to Douglas or Boeing—if you go to Boeing and want to buy a 747 for future delivery, because they are probably booked up on orders for two or three years, you would be given a base price today, at today's

dollars, and there will be an inflation factor built into it. The cost of that piece of equipment when you take delivery will depend upon the inflation factor between now and the delivery date.

Mr. Haggerty: It has been a long time since I have been in the estimating business, but there never was a practice like that.

Hon. Mr. Snow: There was never anything like that when I was in the construction business either, but I can tell you right now that our road-building contractors, with today's problems, are very wary of any contract that extends beyond two years. They do not even like the two-year projects. They like one they can start in the spring and have finished by the fall. They know what their labour rates and material costs are going to be.

I had it brought to my attention on that new Burlington Street job in the city of Hamilton, a \$30 million contract that is spread over three or four years. The contractors were very wary of taking on that job because they did not know what their costs were going to be three or four years down the road.

Mr. Haggerty: So you have a terminology of cost plus then?

Hon. Mr. Snow: It is not really cost plus, it is a fixed price contract with a costing index. It is not the cost-plus contract we used to talk about years ago.

Mr. Samis: May I ask the minister one final question about the Thunder Bay deal, especially your meeting this afternoon? Since Mr. Mancini and I were not privy to the meeting, can you give us an idea as to essentially what the people from Thunder Bay were saying? I presume they bemoan the fact they lost the contract, which means a loss of jobs and a severe impact on their local economy. That you would expect. But beyond that, what are they saying to you, what are they complaining about?

Hon. Mr. Snow: Basically, just what you said. They are very concerned. The Hawker Siddeley plant is down to fewer than 100 employees at this moment.

Apparently two or three years ago, when they had the Mexican order and they had the TTC subway cars and they had our GO Transit cars—I was in that plant when they had three different assembly lines going: the double-decker GO cars, the Mexico cars and the streetcars, all at the same time—they had about 1,000 to 1,200 employees at that time. Now they are down to fewer than 100.

If we had not awarded them that contract for the \$60 million worth of additional GO train cars they would not have one order in that plant, the plant would be closed today. So they are concerned about that.

The ICTS contract would not have rectified that situation. It might have provided another 100 jobs, or maybe 150 at the most, at the peak. They are concerned because, as one of the members pointed out, the fire in the paper mill at Terrace Bay has caused the loss of 3,000 jobs. Apparently 700 bush workers have been laid off by Great Lakes Paper. A couple of mines have laid off employees. When you go back a few years there are the Atikokan layoffs.

Mr. Samis: I can understand the human dimension. I am just saying they are not disputing the contract—

Hon. Mr. Snow: That is their concern and the fact that they need industrial jobs in Thunder Bay. Another gentleman, with the shipbuilders' union, was concerned about the shipbuilding industry in Thunder Bay.

The Premier and I assured them it was not the intention—we have supplied that plant with \$250 million worth of work in the past 10 years and several times when I have been involved we have advanced contracts, because of their problems in scheduling, to keep that plant running. We did that eight or nine years ago.

Mr. Samis: Were they arguing, though, for any special consideration, or just bemoaning the fact that their general economic scene is bad?

Hon. Mr. Snow: No, I do not think they were asking for special consideration. We told them that we had given them special consideration on previous occasions. We negotiated a contract for the bilevel cars as an extension to the previous contract. They were asking why we did not have an open tender call for the ICTS car. I pointed out to them that if we had had a fully open, sophisticated tender call for the bilevels they probably would not have got it.

They would not have got the streetcar contract because Bombardier were the low bidders three or four years ago. I received a lot of criticism in the House for awarding the contract to Hawker Siddeley because they were not the low bidder. We made a conscious decision to support the Hawker Siddeley plant in Thunder Bay and paid a couple of million dollars more on a \$30 million, \$40 million or \$50 million job to save that plant at that time, because they were then just finishing the Mexican order they had.

Unfortunately, as I told the people today, Hawker Siddeley, if they are going to stay in this business, have to get off their butts and get out and sell in the worldwide market. This is not a local market situation to keep a plant like that going. There are many opportunities around the world today to supply rail equipment. I personally do not feel Hawker Siddeley's management is aggressive enough in getting out, although they did have one of their bilevel cars in Chicago at the American Public Transit Association show, where it received a great deal of attention.

9:40 p.m.

I know they are negotiating on some other possibilities, remote or otherwise, involving contracts for more bilevel cars. This government certainly has been very generous—that is not the right word, but we have certainly worked with that plant in the last 10 years. We have advanced contracts, dated contracts to try to keep the assembly going when they needed work.

Mr. Samis: Thank you for the report.

Hon. Mr. Snow: Mr. Mancini asked the reason for the intermediate-capacity transit system. The reason for ICTS is that we just no longer can afford to build full subways. Last costs on subway construction were about \$50 million a mile; I hate to think what they would be today. The ICTS is considerably less expensive.

The next question was regarding the BILD promises.

Mr. G. I. Miller: Mr. Chairman, can I ask one question? Do you foresee that as a work program down the road, like—

Hon. Mr. Snow: What is that?

Mr. G. I. Miller: We are talking about Thunder Bay unemployment—100 people working. We are in a really serious unemployment situation at this time and maybe we will be looking at some make-work programs.

Interjection.

Mr. G. I. Miller: I know, but it is important to have them employed. If they are not, we are going to be asking for a lot of trouble.

Mr. Haggerty: Make them winter works programs.

Mr. G. I. Miller: It was just a comment.

Hon. Mr. Snow: With these types of projects, of course, you do not decide in September that you are going to launch into them. If the unemployment rate is half a per cent more than

it should be, you do not decide in September you are going to go into winter works programs to build subways; it takes five years of planning for this.

Certainly there will be a lot of work; this project will produce thousands of man-years of work. A lot of that work is going to be in Vancouver. For instance, on the Vancouver contract we cannot expect to build the guideway in Toronto when the guideway has to be built in Vancouver. We will build the cars in Ontario. The engineering and the high-technology jobs will be here, but a great deal of the construction jobs are going to be where the system is being installed.

It will supply work. There is a great need—you have no doubt read the articles in the Toronto Star over the weekend, which I think in general were right on, other than the fact they had the articulated buses being manufactured in Quebec when they are being manufactured in London, Ontario, but that was a minor slip.

Mr. Mancini wanted an update on the BILD promises. I will just go through the transportation-related ones.

On the electrification of GO Transit rail there is a very active committee composed of the Ministry of Energy, MTC, Ontario Hydro and CNR, which has been working for the last six or seven months. Their prime consultant contract proposals have been called. The prime consultants for engineering on electrification of the Lakeshore line will be chosen, I presume, early in the new year.

Transit electrification: the bill is in the House now to provide for the special subsidy for electric trolley buses. I have to say we are also having discussions on the development of articulated electric trolley buses, not only for Toronto but for the export market. We have some very good leads there.

The Bruce energy centre for the future: that has some involvement with our ministry and we are working with the federal Department of Public Works and Ontario Hydro and the Ontario Energy Corporation, with the possibility of a dock or harbour facility at Bruce.

Under transportation, on page 13 of the BILD document, there is reference to additional investment in the Urban Transportation Development Corporation. That is done; the additional money required for working capital to enter into these contracts has been put in. I believe it was \$26 million, if I remember rightly—another \$26 million to \$30 million of additional equity, in that neighbourhood, was put in.

On the ICTS projects: offers still stand for both Hamilton and the Lakeshore. Hamilton is being voted on tonight and I understand the Lakeshore study has been approved. Metro, TTC, the city of Toronto and the Ministry of Transportation and Communications will be carrying out the study as to where the route should be and what should happen down there.

We are working with the Ministry of Energy regarding alternative fuels such as hydrogen and propane. As a matter of fact, Mr. Chairman, I have personally ordered a propane-fuelled automobile. It is two months behind in the delivery date but should be here this month. The government policy has now established that a large number of government vehicles will be propane powered.

On page 15, radial roads, the commitment that was made for the acceleration of the road program, the \$25 million that was allotted to it for 1981 from the BILD program as a complete add-on to our normal highway construction program, has been spent and the road program has been accelerated.

Mr. Brandt: Mr. Minister, was the Highway 402 Exmouth overpass a part of that program? I understood from what you had explained in an earlier conversation that it was.

Hon. Mr. Snow: The 402 was in our original program which we had before. The additional \$25 million allowed us to bring forward a number of jobs on 406, for instance, to speed up 403. We are proceeding with design and are getting ready and buying property for 410, 407, and 427. It allowed us to go ahead with the job on 427. This year we have two jobs going ahead and in the following year it will be on 115 and 401 in the Peterborough corridor.

It is not all oriented towards one corridor. BILD funding has allowed us to bring jobs forward and to do them sooner than we would have been able to do without it.

Mr. Brandt: That is what I understood had happened with respect to the original plan for that overpass.

Hon. Mr. Snow: We had to delay that, as you recall. The Front Street interchange is the one you are talking about, right?

Mr. Brandt: That is right.

Hon. Mr. Snow: We delayed the Front Street interchange project in Sarnia in order to expedite the missing link of 402. I consulted with you at one time when you were mayor of the city of Sarnia and it was decided that in order to have moneys to accelerate the last stretches of 402

and get the highway fully opened, we would delay the Front Street interchange. The BILD funding coming in probably allowed us to move Front Street ahead a few months.

Mr. Brandt: Effectively it is a full construction season, because of the timing. I just want to confirm that, because in the context of the BILD question the entire highway could not have been completed without the overpass being constructed.

Hon. Mr. Snow: The highway would have been completed but you would not have had the best connection in Sarnia.

Mr. Brandt: That is right.

Hon. Mr. Snow: By the time the highway is opened next fall the Front Street interchange will be finished and the total job will be finished.

Mr. Sheppard: I have a supplementary, Mr. Chairman. Mr. Minister, what about new jobs? I am referring now to the great county of Northumberland. I understand you are going to start new construction on Highway 30. Would this construction be in the BILD program, or not?

Hon. Mr. Snow: No.

Mr. Sheppard: No?

Hon. Mr. Snow: The BILD program relates only to the expressway program in the Golden Horseshoe area, the 400 series highways. All the other highways are in our normal program. The BILD money has allowed us to speed up these projects.

The member for Brant-Oxford-Norfolk was asking me a few moments ago about 403 in his riding and in the Brantford area. We have been able to move that job ahead and the first contract will be awarded this spring—which probably is a couple of years earlier than it would have been awarded if we had not had BILD funding.

Mr. Sheppard: Fine. Thank you, Mr. Minister.

Hon. Mr. Snow: Rail upgrading is something which is under study at this moment. Our whole rail situation is somewhat up in the air because of the Via cutbacks and we are reviewing that whole thing. There have been no expenditures made out of the BILD funding for rail upgrading to date, but I am sure there will be.

9:50 p.m.

Mr. Mancini: I have a question on that, Mr. Minister. Your BILD promise was that the government of Ontario is willing to work with

the federal government to upgrade rail services or to do it unilaterally. Ontario is prepared to invest \$125 million—

Hon. Mr. Snow: That is right.

Mr. Mancini: —for the improvement of rail services in the Toronto-Windsor corridor. Have there been Via Rail cutbacks in the Toronto-Windsor corridor?

Hon. Mr. Snow: There have been very major Via Rail cutbacks in Ontario.

Mr. Mancini: The BILD promise is what I am concerned with, specifically. Your government and your ministry, through BILD, has promised to spend \$125 million either in conjunction with the federal government, or unilaterally, in the Toronto-Windsor corridor. I do not know what the Via cutbacks in other areas have to do with this promise in the Toronto-Windsor corridor.

Hon. Mr. Snow: What it has to do with it is this. At the time this commitment was made no one knew that Mr. Pepin had made major cuts in Via Rail services, dumping three major commuter routes back on the province. We were not planning on this and may have to change some priorities in that area.

Mr. Mancini: Out of the \$125 million which you allocated for rail upgrading, how much would the three commuter lines you have mentioned take up?

Hon. Mr. Snow: That could very well take up all of it and more.

Mr. Mancini: What are these three commuter lines?

Hon. Mr. Snow: The Barrie line, the Stouffville line and the Peterborough-Havelock line, which is an intercity line. I have said we are not going to recommend that we take over the Peterborough-Havelock line because it is strictly an intercity line.

Mr. Mancini: Do you figure that is going to cost \$125 million?

Hon. Mr. Snow: It could very easily. The Milton line, which we just opened this fall, had a total capital cost of some \$60 million for for new locomotives, new rolling stock, rail upgrading and signal systems which are required for GO Transit.

To extend the GO Transit line from Pickering to Oshawa is another priority item. We are expecting that report from the CNR in January. They have been doing their studies and so on and they are supposed to give us their report in late January. But the preliminary discussions have been in the \$50 million mark there for widening of bridges.

We want to increase the corridor west of Toronto so we can extend the service from Oakville out to Burlington. That includes widening two bridges across major gullies. That does not come cheap on those high-traffic lines. There are two sets of rails there now and in some places they need a third set of rails. If we are going to run GO on that, the railroads say, "Fine, but you are going to pay for the capital improvements."

I have every intention of making use of that \$125 million for rail upgrading. However, Via Rail and Mr. Pepin have cut services, which they said they have done in order to save \$100 million a year in operating costs and use that money to upgrade the Quebec City to Windsor corridor and buy more new trains. I say, on my own and not as a government decision at this time, that the action by Mr. Pepin dumps the responsibility for these commuter lines back onto me and the Ontario taxpayer. Then I have to look at using the \$125 million.

Mr. Haggerty: But are there no alternatives to that, Mr. Minister? Are these areas not serviced by Gray Coach and Voyageur bus lines?

Hon. Mr. Snow: If you want to pursue that philosophy, you would not have any rail service at all. The entire Montreal-Quebec City corridor is served by Voyageur, so let's take off the whole Via Rail system.

Mr. Haggerty: But I am saying there is an alternative.

Mr. Samis: But it is not a feasible alternative.

Hon. Mr. Snow: There is an alternative in certain corridors. The bus service has a very great role to play. It is the most economical transportation you can get, but you could not have enough buses on the Queen Elizabeth Way to take all the people we carry on Via Rail along the Lakeshore corridor.

Mr. Haggerty: I am just comparing the situation to the Niagara Peninsula example where they have Gray Coach Lines Limited and also the Greyhound Bus Lines coming in from Buffalo and Fort Erie and so on. We also have Via Rail now from Niagara Falls. You can get a bus every hour on the half hour leaving the Falls, but there are only three trains a day out of Niagara Falls. There is an advantage in having buses.

Hon. Mr. Snow: I think there are from seven to nine buses a day, or something like that, from Peterborough to Toronto, but there is only one train.

Mr. Haggerty: That is right. The buses are doing a good business because they are giving good service.

Hon. Mr. Snow: I have said many times in my meetings with the different groups that rail is not the only alternative in many corridors. You have to look at each individual corridor and at what is the best way to serve that corridor.

Mr. G. I. Miller: Mr. Chairman, there is one thing that I would like to bring to your attention. I learned just this evening that the fare on Via Rail from Brantford was raised from \$9.50 to \$19 effective this morning.

Hon. Mr. Snow: I am not going to deal with that question because I have no responsibility for Via Rail. If Mr. Pepin is going to raise Via Rail fares, you should ask him. I know they raised Via Rail fares.

Mr. G. I. Miller: I heard that people were turning back and setting up their own car pools to come to Toronto. There was mass confusion. It just seemed to be coming out of the blue.

Hon. Mr. Snow: I listened to the news. Mr. Pepin does not send me advance notification and I do not think the ministry has received any that I know of. But I watch the news on TV at night—I suppose you do too—and it said last night that at seven o'clock this morning, Via Rail fares were up 10 or 12 per cent.

Mr. Samis: Some stations have signs posted in them that on December 15 Via Rail fares are going that up.

Hon. Mr. Snow: There has been a great argument. Via Rail is very highly subsidized. The bus industry has been complaining bitterly about that fact.

Mr. Samis: The way they are calculating it is that the taxpayers pay for the whole avenue of transport, but then they do not count in what they calculate as a subsidy. It is a little unfair.

Hon. Mr. Snow: I do not know what you mean.

Mr. Samis: The buses use public thoroughfares and they pay next to nothing for it.

Hon. Mr. Snow: No, they pay their way fully in their fuel tax and so on.

Mr. Samis: But they are not including the cost of construction when they say: "The rail lines are being subsidized this amount. Look how efficient we are."

Hon. Mr. Snow: The bus industry, the motor

coach industry, the trucking industry, we will get into them when we get to answering one of your questions.

Mr. Samis: If we ever do.

Hon. Mr. Snow: We are on Mr. Mancini's item five. I will try to speed it up, but I have to answer these BILD questions.

The commuter STOL program was a BILD commitment. With regard to municipal airports, we expanded the program to southern Ontario. We have approved grants to airports at Brantford, Collingwood, Goderich, Kincardine, Lindsay, Midland, Pelee Island, Peterborough and St. Thomas. Those are the airports that applied for provincial funding this year and have been supplied it.

On dry dock facilities, the marine office is working very closely with the federal government and with the companies in three projects: the possibility of dry dock and shipbuilding facilities in Collingwood, Port Weller and Thunder Bay. No definite commitments are ready yet.

Mr. Haggerty: It was interesting to note that the chairman of the Great Lakes/Seaway Task Force—how many new vessels is he building? I am thinking of that phrase "Buy Canadian." Where did he build them, or where does he get them built?

10 p.m.

Hon. Mr. Snow: I understand they have bought some vessels offshore, yes.

Mr. Haggerty: They are not getting enough of a subsidy?

Hon. Mr. Snow: It all depends, I guess. Unfortunately the marketplace dominates. I do not think any of us want to buy foreign-made automobiles but there are a lot of them being sold in Ontario and in Canada right now.

That is the main area of the Board of Industrial Leadership and Development documents. They are all under active consideration. With some of them, the cash is flowing as anticipated, while with others the longer arrangements are taking a little time to get prepared.

Item six was the child restraints. As you know, I have made a commitment; I hope to introduce the legislation this spring. I fully agree with Mr. Robinson's private member's resolution. Since Mr. Robinson's resolution I have taken the policy paper to cabinet and have received cabinet approval. I will be including that legislation in the Highway Traffic Act amendments in the spring session.

Now I will deal with the correspondence the

honourable member had with the United Church of Canada with regard to pup trailers. That letter dated September 18 I received in my office on September 23. I replied to it on October 13, going into some detail. I will not take the time of the committee to read the letter into the record but I can assure you it was dealt with.

I do not agree we should be outlawing pup trailers because we have no statistics to show the pup trailer is not a safe piece of equipment. I will say I have stated, certainly at this stage, that I am not in favour of the 105-foot units of the trucking industry. I told the trucking industry very bluntly that it would be over my dead body. Well, it may be. Mancini may run me down some day.

In the light of the truck safety committee—

Mr. Mancini: We have several highways to finish up in my riding—

Hon. Mr. Snow: We will never live long enough for all those to be done. On the other hand, I just do not feel that 105-foot units should be on Ontario highways, especially through northern Ontario and elsewhere.

I recognize the energy efficiency of them. You need depots where they can disconnect. I know they have this on the Red Deer highway between Calgary and Edmonton. For that one piece of highway with two ends to it, they have two depots.

I am very concerned about implementing them on our highways, but I will await the recommendations of Dr. Uffen. He is going into all of this very thoroughly. If he recommends something longer than we have now, I will give it serious consideration. But my position at this time is that I am not prepared to go beyond the 21 metres.

Mr. Haggerty: Mr. Minister, on that particular point, I would have to agree with you because I can recall some of the studies done in the United States. Their 65-foot tandem trucks are restricted to state highways; I believe they do not let them go more than 1,500 feet off the expressways.

I feel even the pups today are ruining the municipal, county and regional roads. They are not constructed to carry that weight in the passing lane. I hope you take a good close look at this before—

Hon. Mr. Snow: I disagree with you. The axle weight is what we are concerned about and a pup has more axles. It is not putting any more

load on the road. It is more load in the total vehicle, but it is spread over the number of axles.

I think 10,000 kilograms per axle is the maximum load and whether it is a two-axle truck or a 10-axle truck, it is the same 10,000 kilograms per axle.

Mr. Haggerty: Yes, but it is a different matter when they have to navigate turns and corners on highway interconnections.

Hon. Mr. Snow: Not really. The pups do not create the problem. The ones that create the problem are the three-axle tandems and trailers when they are turning. There is much more of a surface problem than—

Mr. Haggerty: I will not take the time of the committee, but I have a letter written to one of your district engineers concerning the reconstruction of Highway 58 in the city of Port Colborne. Trucks have a difficult time navigating one of the intersections there—

Hon. Mr. Snow: Okay, we will answer the letter. Thank you very much.

But I belong to the United Church of Canada, Mr. Mancini. I just wanted you to know that.

On the Ontario Highway Transport Board and United Parcel Service Canada Limited: Mr. Mancini was not aware cabinet had dealt with this matter.

On June 30, 1978, the OHTB denied the UPS application. UPS appealed the OHTB decision to cabinet on August 15, 1978. On November 18, 1978, cabinet ordered the OHTB to rehear the UPS application. On October 17, 1980, the OHTB, after rehearing the UPS application, granted UPS an operating authority, subject to certain conditions. Between November 1978 and October 1980 there were a number of court actions that delayed proceedings.

Following the October 17 decision by OHTB, Canada Post, CN Express, Canadian Parcel Delivery and others appealed the OHTB decision to cabinet on the same day the decision was brought down. I believe the decision was brought down at two o'clock on a Friday afternoon and the appeals were launched before four o'clock on the same afternoon.

On August 6, 1981, five months ago, cabinet upheld the OHTB decision, subject to some additional conditions. The order in council and statement were issued at that time. I have the order in council and the statement here for anyone interested in them.

The Ontario Motor League brief is item nine on Mr. Mancini's list. With regard to their

concerns: Yes, I deal with the Ontario Motor League and the Hamilton Automobile Club. They are great organizations. We have a great deal of dialogue both on safety matters and others. I have not heard of it recently but it may be they have expressed concern over the revenues being collected from the motorists and whether they are getting a fair share of that revenue returned to the motorists by way of facilities.

If you look over the schedule of comparison that ministry officials keep up for me from year to year, it shows the total Ministry of Transportation and Communications expenditures on highways and transportation and the total revenues from gasoline tax, motor vehicle licences, et cetera.

This year, our ministry budget of total transportation expenditures was \$1.254 billion. Estimated revenue from highway-related purposes—and this does not include sales tax or anything on new vehicles, but is gas tax, licence fees and so on—is \$1.178 billion. So the revenue from those sources is \$75 million less than the ministry budget.

If you want to take any other year, go back to 1950. The ministry budget was \$83 million then; the revenues were \$85 million. In 1955, the ministry budget was \$142 million; the revenues were \$146 million. But I would remind you, in 1955 the MTC budget was 31.7 per cent of the total provincial budget. In 1981, although the budget is \$1.25 billion, it is only 6.7 per cent of the total provincial budget.

Although all revenues like that go into the consolidated revenue fund, I have often said to some of my cabinet colleagues, we could make MTC a crown corporation. We could collect our own revenues, build our own roads and take it out of the budgetary process. We could probably do very well.

Mr. Samis: And they said?

Hon. Mr. Snow: They said, "Thank you, but no thank you."

If you look over the years, the revenue collected from the highway taxes of one type or another have been very close. In relationship they have been usually below. Go back to 1979-80: expenditures, \$1.139 billion; receipts, \$1.105 billion.

10:10 p.m.

I have to agree that in that overall expenditure is some related money for transit. But by

spending money on transit, you are taking cars off the road. That is saving money you would have to spend on the roads.

Mr. Haggerty: Are you gaining on the Queen Elizabeth Way east?

Hon. Mr. Snow: I do not know. If you did not have GO Transit and you put all the people who are riding GO Transit on the Queen Elizabeth Way you would never get here.

Mr. G. I. Miller: What about extending the GO service into Hamilton?

Hon. Mr. Snow: GO is in Hamilton; please do not—

Mr. G. I. Miller: I know, but it is a patchwork connection.

Hon. Mr. Snow: It is two trains a day. We have three trains a day to Richmond Hill. We have three trains a day to Milton. It has one train less than those lines.

Mr. G. I. Miller: What about Oshawa?

Hon. Mr. Snow: Golly almighty, I just said a few minutes ago the study on Oshawa will be here in January.

Mr. G. I. Miller: Okay. But the biggest population centre outside of Toronto is Hamilton and it has the poorest connections.

Hon. Mr. Snow: I know there are commuters from Hamilton; we are bringing a lot of them in. GO Transit's role is as a commuter service. Hamilton is a major industrial centre. We do not look at Hamilton as being a place where you live and you work in Toronto—

Mr. G. I. Miller: A lot of people must do that.

Hon. Mr. Snow: —but a lot of people do that.

Mr. Samis: Can I ask the minister a question on the Ontario Motor League brief: in your reply did you extol the merits of ad valorem taxes?

Hon. Mr. Snow: I do not remember whether we even had the ad valorem—

Mr. Samis: They certainly attacked it in their brief.

Hon. Mr. Snow: They may very well have.

Mr. Samis: You might have had the luxury of being able to attack the federal one before Frank brought in one in this province.

Hon. Mr. Snow: I have no problem with the ad valorem tax. We were one of the last provinces to have it. Every other province has it. The NDP government in Manitoba brought it in.

Mr. Samis: It does not make it right in Manitoba either.

Hon. Mr. Snow: I think it is only relative. As the day to day expenses of my ministry in maintaining the road system go up, so do the costs. If the gasoline tax, which is our main revenue source to maintain the roads, is tied to—

Mr. Haggerty: That has been going up almost every year too.

Hon. Mr. Snow: No, it has not. There have been very few increases in gasoline tax.

Mr. Haggerty: You have reaped a bundle on the metric system. I should not say you did, but the Minister of Revenue (Mr. Ashe) did.

Hon. Mr. Snow: No, there was very little change.

Mr. Samis: It just undermines some of the rhetoric from government when you talk about inflation. They have a builtin profitability factor, especially with the energy agreement with Alberta.

Hon. Mr. Snow: Okay, you argue that with the Treasurer (Mr. F. S. Miller). I personally do not have any problem with it. The sales tax is an ad valorem tax.

Mr. Samis: You are getting more revenue. It does not hurt you specifically.

Hon. Mr. Snow: You used to go out and buy a car for \$5,000; you paid seven per cent of \$5,000, right? Now you buy one for \$10,000 and you pay seven per cent of \$10,000. So the sales tax is an ad valorem tax and I do not hear that being mentioned.

Mr. Haggerty: But it is built in as an index.

Hon. Mr. Snow: Sure it is; the same as the gasoline tax is now. The gasoline tax is a percentage of sales cost.

Mr. Samis: But it is a simple fact the Treasurer is profiting, one, from inflation and, two, from the energy agreement, whether he will admit it or not. You are one of the beneficiaries as well.

Hon. Mr. Snow: You fellows, of all people, should know the government has to have revenue. If it does not get it from one place, it comes from another.

Mr. Samis: All we are saying is you are profiting from inflation, whether you tell that to the taxpayer or not.

Mr. Gilbert: The cost of buying fuel to operate the services within the province more than offsets the gain in the ad valorem tax, at least—

Mr. Samis: No, I am not arguing that.

Hon. Mr. Snow: Ten years ago liquid asphalt for paving cost the ministry \$30 a ton; today it is \$200. We are predicting \$600 a ton in 1985. Today it is \$200 a ton and 10 years ago it was \$30 a ton.

Mr. Samis: —based on the price agreement with Alberta—

Hon. Mr. Snow: Now that Mr. Trudeau has the constitution home, he is going to get around to wrestling inflation to the ground and maybe that will not happen.

Item 10, TTC fares. Mr. Mancini was concerned about TTC fares. I think Mr. Samis to some degree answered that question in his remarks.

The costs of operating transit systems are rising substantially, whether it be in Ottawa, Hamilton, Mississauga, Windsor, or wherever. Our budget for transit is going up substantially. Our budget in municipal transfers for transit is expanding faster than it is for roads or other services. To me, it is only fair transit fares be kept in line on a cost-revenue ratio.

A few years ago one of my colleagues decided he was going to freeze transit fares.

Mr. Mancini: Who was that?

Hon. Mr. Snow: John White was Treasurer.

Mr. Haggerty: That boy was quite a dreamer.

Hon. Mr. Snow: With all due respect, inflation was not nearly as bad at that time. He decided he was going to freeze transit fares and we froze them for three years before I became minister. The cost-revenue ratios on the subsidies were getting totally out of hand as far as the province and the municipalities were concerned.

That is when we brought in the formulae we have at the present time. Sure, we hear a lot of complaints from certain people in Metro Toronto when there is a fare adjustment, but as the member for Cornwall (Mr. Samis) mentioned, there have been fare adjustments in other cities. I believe Mississauga is up to 75 cents, is it not?

Mr. Samis: Mr. Chairman, my comment about Ottawa is not intended to answer Mr. Mancini.

Hon. Mr. Snow: No.

Mr. Samis: It was to point out the Toronto media talked about fare increases as if only Metro Toronto is being adversely affected. I pointed out the fare increases in Ottawa mean

the passengers there will be paying more than those in Toronto, but they have never talked about that.

Hon. Mr. Snow: For less ride.

Mr. Samis: For less ride as well.

Hon. Mr. Snow: I am a firm believer, gentlemen, in maintaining the setting of realistic cost-revenue ratio. We know we are going to subsidize transit and then maintain fares. We have adjusted our GO Transit fares every year since I have been minister and we are trying to maintain that rationale. I see from the local paper my own municipality of Oakville has raised its fares this year.

I am not a great proponent of raising fares but I still say you have to be realistic in your budget. The money has to come from some place. The cost of fuel and operating a bus is up. When I became minister a normal transit bus was \$60,000. Now they cost \$120,000, so our capital costs are going up; so is the cost of tires, the cost of fuel. If you ride in a car or in any other type of transit, you are paying greatly increased costs for your transportation. The increases in public transportation have been reasonable.

Last year, our actual subsidy for operating transit in 1980-81 was \$74 million. In 1981-82—the estimates we are going to be dealing with here whenever we get to them—are pretty near \$92 million.

Mr. G. I. Miller: Does the GO train make a profit?

Hon. Mr. Snow: No, the GO train does not make a profit. It was never planned to and probably never will. It operates on a cost-revenue ratio.

Mr. G. I. Miller: At what percentage?

Hon. Mr. Snow: Two thirds, one third.

Mr. Samis: Do you have any statistics available on comparative transit fare percentage increases across the province scheduled for 1982?

Hon. Mr. Snow: I do not know whether we have or not because every municipality is responsible for its own fares. We monitor them and know what they are basically.

Mr. Samis: But you must have that information within your ministry if you are doing the monitoring.

Hon. Mr. Snow: Mr. Kidman is not here tonight, but I am sure he could give us a pretty good idea.

Mr. Samis: Not here? It would be interesting to put Toronto in the context of other transit authorities around the province.

Hon. Mr. Snow: Toronto is not out of line.

Mr. Samis: That is what I say. For us that would be informative. Can you provide the—

Hon. Mr. Snow: Especially if you consider the distance you can travel in Metro for a single fare.

Mr. Samis: Yes.

Mr. Gilbert: We could let you know the increases planned. But if, as the minister says, a municipality has not dealt with this—

Mr. Samis: No, when I make that—

Hon. Mr. Snow: Some municipalities may not have any. Some may have had an increase last year and do not plan to have one this year.

Mr. Samis: Yes, but if you could provide that information, it would give us a fairly good perspective.

Hon. Mr. Snow: Yes. We could get you some basic information on what the fares are under the 60 systems.

Mr. Samis: Yes, I would appreciate that.

Hon. Mr. Snow: We cannot tell you what they are planning to do next week though.

Mr. Samis: No, I think whatever information is on record as of now would help.

Hon. Mr. Snow: The last question of Mr. Mancini's was regarding air policy, the remote airport, the two basic airport programs. We have built some 20-odd remote airports now in northern Ontario. The capital for building those now comes from Northern Affairs, but our ministry maintains all of them.

10:20 p.m.

In the municipal airport program we have a subsidy program for municipal airports which used to be only in northern Ontario but was extended to eastern Ontario. Now, the Board of Industrial Leadership and Development initiative includes southern Ontario.

We subsidize basic airport requirements, which is a 3,500-foot runway, I guess—

Mr. Mancini: Did you just put the runway in?

Hon. Mr. Snow: If you just wait one minute I will tell you. We subsidize the basic runway, a little taxi strip, the fuel facilities and basic equipment at 80 per cent. We subsidize cross runways, taxiways and other secondary things at 50 per cent.

Mr. Brandt: What is the definition of a municipal airport?

Hon. Mr. Snow: One owned and operated by a municipality.

Mr. Brandt: There is more to it than that. There are some municipalities that operate an airport that have an agreement with the federal government—

Hon. Mr. Snow: Your city of Sarnia is a federal airport, owned by the federal government and operated by the city under agreement with the federal government. I am talking about municipal airports like the ones at St. Thomas, Welland-Thorold, St. Catharines—no, I believe St. Catharines is federal.

Mr. Haggerty: I think Welland-Thorold is too.

Hon. Mr. Snow: No, well, I guess it may be under lease. But there are quite a number. Collingwood, Midland—

Mr. Brandt: Perhaps I can ask the question this way: in attempting to get to a definition of a municipal airport, at what point does an airport become something other than a municipal airport where the federal government starts to kick in some assistance?

Hon. Mr. Snow: There probably never will be another one. They have been trying to get out of a number of them. The federal government used to have a program that was very small; \$1 million or \$2 million a year for all of Canada to subsidize municipal airports. They cut that program off two years ago.

I have basically agreed with the federal government that they will maintain the airports they have now, then we will step in and assist the municipalities in maintaining their municipal airports.

Mr. Brandt: So there is no piggybacking at all going on now between the province and the federal government?

Hon. Mr. Snow: The federal government is responsible for navigational aids. They are responsible for the beacons and the ILS systems and weather reporting and so on. That is the federal responsibility.

As far as the basic municipal airport goes, we have one up in—too bad the member for Grey-Bruce (Mr. Sargent) is not here—Tobermory. We assisted the municipality there. There is a beautiful airport in the great riding of Parry Sound, Mr. Chairman. That municipal airport was built by four or five municipalities that went together to build it.

Mr. G. I. Miller: Are there any projects in southern Ontario being—

Hon. Mr. Snow: I read them out.

Mr. G. I. Miller: I know you did, but are there any new ones in the process of being developed now?

Hon. Mr. Snow: Those I read out are basically additions or improvements. The only new airport in southern Ontario, that is south of the French River, is Killarney.

Mr. Haggerty: Will they handle that new jet plane the Premier has?

Hon. Mr. Snow: It all depends on who is piloting it.

Mr. McKessock: Do they have to be totally owned by the municipality to get a subsidy?

Hon. Mr. Snow: They have to be municipally owned, or if there was a very long-term lease agreement, we might consider that. But basically we do not subsidize private airports.

Mr. Brandt: If there is a federal airport, Mr. Minister, operated by a municipality, are there any conditions under which that airport could qualify for any provincial assistance?

Hon. Mr. Snow: No.

Mr. Brandt: I thought that was the answer, but I thought I would ask anyway.

Mr. Samis: I do not think it would be fair to ask the minister to start replying to my remarks, but maybe we could use the remaining five minutes to try to schedule our time for Thursday.

Mr. Chairman: That is what I tried to do at the outset.

Hon. Mr. Snow: I just finished replying to Mr. Mancini's remarks, Mr. Chairman. I did not intend to be this long.

Mr. Samis: What vote does the Urban Transportation Development Corporation come under?

Hon. Mr. Snow: It does not really come under a vote now. It used to come under research and development because there was major research and development money going to UTDC. We will deal with the UTDC, but not necessarily under any vote.

Mr. Samis: We have about five hours to deal with nine votes. We want to make sure we get in the Toronto Area Transit Operating Authority, we want to make sure we get in UTDC, and you have to respond to my questions. You spent two hours and 25 minutes on Mr. Mancini's material. I hope you would cut yourself down by 80 per cent—

Mr. Chairman: If I might interject here, Mr.

Samis. I tried to indicate to committee members at the outset this evening that we had only two and a half hours to respond to well over 20 questions raised by you and Mr. Mancini. The committee members insisted on interjecting and asking numerous questions about each item as we went along. We now find ourselves in the position where we have exactly, as you say—

Hon. Mr. Snow: It has not been all lost time, Mr. Chairman.

Mr. Chairman: I quite agree. It is up to the committee members how they wish to spend their time. If they do not wish to ask members of various boards and commissions questions and they would rather spend their time interjecting to the minister's reply for five hours, then that is entirely up to them.

Mr. Samis: Frankly, it is the only chance we get to do it with him.

Mr. Chairman: I agree we have to come to some consensus as to how we are going to schedule our time from here on in.

Mr. Samis: Can we schedule some items for the morning and some for the evening?

Mr. Chairman: I would suggest we schedule the minister's reply to your remarks, Mr. Samis, and we limit that to a certain period of time. How many items or questions are there?

Mr. Samis: Was it 12 I asked? But some of them are overlapping with Mr. Mancini's.

Hon. Mr. Snow: Some of them were overlapping.

Mr. Chairman: Andy, do you have any more questions?

Mr. Brandt: I will have some pertinent statements.

Hon. Mr. Snow: I have 21 points.

Mr. Samis: But they are not all lengthy. Some can be short answers.

Mr. Chairman: Would one hour seem reasonable to committee members for the minister to respond?

Mr. Samis: I would be willing to compromise beyond that if necessary to get some of the other items in.

Hon. Mr. Snow: I feel obligated to reply to the points brought up by the critics. The tentative agreement made the other night was that we would have the Ontario Highway Transport Board and TATO A on Thursday morning and UTDC on Thursday night. Depending on how long you wish to deal with—

Mr. Samis: In view of the circumstances, I would make one recommendation that we drop the transport board altogether. Mr. Mancini suggested TATO A. I still think there is value in having them in here to talk about some of their programs. Provincial roads is—

Hon. Mr. Snow: I can answer any questions for TATO A anyway, whether they are here or not.

Mr. Haggerty: I do not think it is proper the two critics should set the policy of this committee meeting. There are other members who are sitting here who may want to raise some questions—

Mr. Chairman: I quite appreciate that.

Mr. Haggerty:—and to say you can circumvent the provincial road system or the municipal road system and go on to UTDC or something like that, that has never been the practice before when the minister appeared before a committee. Normally the practice was—and it still should continue this way—that the two leadoff speakers speak and then the minister replies to them.

Mr. Chairman: I am glad the point I made at 8:30 this evening is finally sinking in at 10:30.

Mr. Haggerty: Sometimes I think the critics can abuse their privileges.

Mr. Samis: Well, we have not so far compared to other estimates. That is for sure.

Can I suggest that in the morning we deal with the minister's reply, TATO A and provincial roads? That would guarantee any members the opportunity to ask any questions, especially on roads or TATO A and provincial transit. Then in the evening we would deal with municipal transit, communications and UTDC, depending on how far we get.

Mr. Chairman: What do the other members of the committee think of the proposed agenda?

Mr. Mancini: As far as Thursday morning is concerned, I am willing to be very flexible. Whatever the members of the committee wish to discuss, I am sure we can come to some kind of an agreement.

But I think as far as Thursday evening is concerned, it is very important we get on with discussions of the UTDC and maybe one other item. I think it is being a little overly optimistic to suggest we can discuss UTDC and two or three other items. I think members' expectations will be raised unnecessarily.

Mr. Chairman: Do you think we can deal with

the balance of the minister's reply, TATO and provincial roads all on Thursday morning? Is that what is being suggested?

Hon. Mr. Snow: I will try to be as brief as possible and still answer the members' concerns, if I do not get too many interjections. But when I get interjections, I have to answer them.

Mr. Samis: On our part, I would make an offer that we would not go beyond one hour, including our questions, to deal with the minister's reply.

Mr. Chairman: I agree with that.

Mr. Samis: We both accept that reality. It ends at 11 a.m.

Mr. Chairman: Okay, it would appear we are in agreement.

Mr. Samis: So in the evening it is UTDC and—

Hon. Mr. Snow: Whatever is left, I guess.

Mr. Chairman: Whatever else we can get in after we are through with UTDC.

Mr. Samis: Okay, possibly municipal transit, municipal roads, whatever.

Mr. Chairman: Until Thursday morning, at 10 a.m.

The committee adjourned at 10:31 p.m.

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Ontario

LEGISLATIVE ASSEMBLY

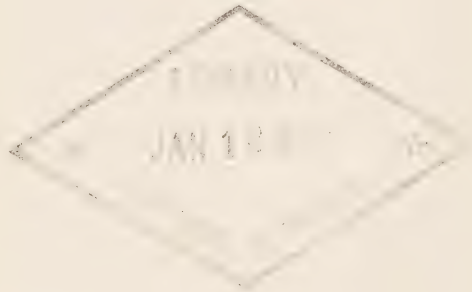
No. I-16

Legislature of Ontario Debates

Official Report (Hansard)

**Standing Committee on Regulations and
Other Statutory Instruments**

Estimates, Ministry of Transportation and Communications



First Session, Thirty-Second Parliament

Thursday, December 17, 1981

Morning Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Thursday, December 17, 1981

The committee met at 10:08 a.m. in committee room No. 1.

ESTIMATES, MINISTRY OF TRANSPORTATION AND COMMUNICATIONS (continued)

Mr. Chairman: I see a quorum, gentlemen. We agreed that Mr. Snow would continue his reply to Mr. Samis' comments in his opening remarks. We will try to limit that to one hour.

Hon. Mr. Snow: No, we cannot do that.

Mr. Chairman: Then we will be discussing the Toronto Area Transit Operating Authority and the provincial road program. I would suggest we allocate that time evenly, if that is agreeable to other committee members.

Mr. Samis: Why do we not play it by ear?

Mr. Chairman: That is fine. Mr. Snow.

Hon. Mr. Snow: Thank you very much, Mr. Chairman. To start off with—I always like to start off on a positive note and report progress—I would like to advise the committee that the Snow family was enlarged by one about an hour and a half ago. I now have my second grandchild, a new seven-pound, nine-ounce baby girl.

Mr. Chairman: Congratulations, Mr. Minister.

Hon. Mr. Snow: She was born this morning between eight and nine o'clock.

Mr. Samis: I move that all members of the committee by eight o'clock tonight be provided with appropriate souvenirs of this event.

Hon. Mr. Snow: If it had been a grandson, I assure you we would have looked after that tonight, not that I am sexist at all.

Mr. Samis: If Marion Bryden were here, she would be up there now.

Hon. Mr. Snow: We shall see.

I have a great many items to reply to from Mr. Samis' statement. I will try to run through them as quickly as possible. The first item was basically related to energy—the energy pricing agreement and its great effect on transportation in Ontario. Fifty per cent of the petroleum used in Ontario is used for transportation and about

50 per cent of that 50 per cent is used by private automobiles.

We have a very active program called TEMP, transportation energy management program, which is a joint program between the Ministry of Energy and my ministry. We have a major project under way of converting government-owned vehicles from gasoline to propane, as well as encouraging private owners to make the change. We have about 70 or 80 ministry vehicles on propane at this time. We are hoping to add another 200 or 300 by the end of the fiscal year and 200 or 300 more in the next year. I am awaiting delivery of a propane vehicle myself.

Mr. Samis: How does that compare with the beginning of this fiscal year? We are at 70 or 80 now.

Hon. Mr. Snow: I do not have that figure. I am just going by memory on all of these things at this moment. But we are certainly planning to expand that program considerably, not only in our ministry, but in other ministries as well.

10:10 a.m.

Mr. Samis: There are 200 to 300 for this fiscal year and 200 to 300 for the next fiscal year.

Hon. Mr. Snow: Right. We have a whole list of activities as part of TEMP. I will not go into great detail on them, but they include car and van pooling and public transit, although the public transit is not in TEMP. Those are all areas we are using to react to the energy situation. We have been very successful in organizing these van pools. It started out as a government program, but private sector companies such as Bell Canada are getting into this program now.

Commuter parking lots: We started a program a couple of years or so ago and built about eight commuter parking lots as a trial project. They have been so successful that we added another eight or 10 last year. That is an ongoing program. We will be adding more this coming year and expanding some of the ones we have that are overflowing at the moment. The people use the commuter parking lots for two purposes. They are mainly for car pooling, but a number of

these lots are serviced by the intercity bus lines. People drive to those commuter lots and then ride either Go Transit or Greyhound or Gray Coach or whatever.

Mr. Samis: Can I just go back a second? Can you give me a little more detail on the extent of the van pools this year as compared to last year? I want to get some idea of what progress has been made in each of these areas. I know you had the program the previous year, but I just want to get some idea of the extent of it this year.

Mr. Campbell: The Ontario Energy Corporation is handling van pooling within Metro Toronto and the surrounding area, which is called "out pool." I do not know exactly how many van pools they have right now, but it is in the area of 15 to 20. They are doing it on a commercial basis. TEMP is looking at extending van pooling from the government to the various industries. I believe we have about 10 or so industries involved in extending van pooling in their areas.

Mr. Samis: In the interests of time, Mr. Chairman, I will not pursue it.

Hon. Mr. Snow: If you want additional information, we can get it.

Mr. Samis: I would.

Hon. Mr. Snow: With the time we have for these estimates, we will never get through it if we go into all this detail on every one of these items.

Mr. Samis: Could I just ask, then, on a variety of things if the minister would endeavour to provide me with some background information since obviously this year we will not have time to discuss them?

Hon. Mr. Snow: Any information you ask for we will try to give you. You may not get it before the end of the estimates, but you will get it within the next week or two.

Mr. G. I. Miller: Will that be given to all committee members then, Mr. Minister?

Hon. Mr. Snow: Sure. Any information we have is available to any member of the committee, or the Legislature as far as that is concerned.

Mr. Samis: I should almost have a hand signal, Mr. Chairman, to put up my hand and obtain more information and allow the minister to move into third gear.

Mr. Chairman: Thank you, Mr. Samis.

Hon. Mr. Snow: We started out with van

pooling as an experiment within our own ministry. We leased three or four vans and used them for ministry employees who were commuting to Downsview from areas not well serviced by public transit. They pay their way. The driver gets his ride free and other employees pay so much a week for their transportation. The money they pay covers the maintenance and operating cost of the vehicle plus the lease costs. It was not a subsidized program really, just the supervision of it.

The next item was the Via Rail cuts and there was a suggestion I was somewhat slow in getting off the mark. I would like to refute that proposal. As soon as we heard rumours coming out of Ottawa, through staff and through other areas, that there was a major program under way or suggestions that there were going to be major cuts, I immediately contacted Mr. Pepin's office. It was two weeks before the announcement was made, and as soon as we heard about it, I asked for an immediate meeting with him. We could not get a response to our request. We did not even get a response to several telephone calls to his office until after the announcement was made.

A couple of days later, we got a telephone call saying Mr. Pepin would like to meet with me. We have had three meetings of one type or another since then, including that first meeting in Ottawa. All the ministers met with Mr. Pepin in Winnipeg in September. Basically, you know the result. Mr. Pepin has said that is the cabinet decision and the cuts will take place. They all have taken place except for the three commuter lines in the Toronto area which in his announcement he said he would keep running until the summer of 1982. I believe he proposes to cut those lines in September 1982.

You asked about the status of negotiations. I really cannot say there are any significant negotiations going on at this time, because everything we have requested has been denied.

Mr. Samis: What do you mean by "everything has been denied"?

Hon. Mr. Snow: We requested that Mr. Pepin continue to run these three commuter lines, one of which we say is not a commuter line. Peterborough-Havelock is not a commuter line. We have said to him, "If Ontario were to accept that argument and look after the commutershed area, would you continue to run the Peterborough-Havelock line?" The answer to that again was no. He said, "I may be able to accept your argument that it is an intercity line, but in any case the decision is that it shall be cut."

There are things going on. I think the Peterborough-Havelock riders advised me they are going to consider starting a court action. There have been court actions in the west which have not been successful. I could not advise them to take the matter to court because the legal advice I have from my own professional lawyers, who deal with these transport board matters, is they would not recommend we enter into any court action.

As far as the operating costs charged by the railroads are concerned, he did say that he felt the railroads were charging Via Rail too much. He was reviewing this. If there was any cut in the cost of Via Rail, he felt Ontario, Quebec or anyone else running transit should get the lower rate as well. That is the only matter that is sort of up in the air at this time.

We asked for capital. I said, "If we are going to have to take over these lines, or consider taking them over, what about a capital grant to assist us with the transition?" Our planning for our GO Transit budget for the next four or five years had not anticipated these particular lines. Quebec has been granted \$80 million to start a rail commuter service in the Montreal area, of which \$30 million is coming out of UTAP, the urban transportation assistance program. I cannot object to that.

Each province gets \$2 per capita per year out of that program. They can use it for a broad number of transportation programs—to buy new buses or for transit. We use it all for railway grade separations. We have assigned all that money to the municipalities to assist them in building grade separations.

Mr. Samis: Could I just ask one quick question on the Havelock question? You have made your stand clear, even though Sam Cureatz does not accept it. I just came across an article in the November 7 Peterborough Examiner. It quotes the member for Peterborough (Mr. Turner) as saying, "Mr. Snow has been misunderstood on the issue and has not ruled out the possibility of provincial assistance in some form." Mr. Turner added, "The government has not made a firm decision on whether to get involved."

Hon. Mr. Snow: That is right today. We have been looking into these lines to see what we can do on an interim basis and what we can do on a long-term basis. I have not finalized that yet. I have not made my recommendations to cabinet. Cabinet has not made a firm decision in any way on that, although I have said I cannot accept the Peterborough-Havelock line as a part of the

commuter system. After all, it is 163 kilometres long. We do not really extend the commutershed of Metropolitan Toronto to that distance.

Ms. Samis: You have ruled out a takeover, as you said. You made that very clear.

10:20 a.m.

Hon. Mr. Snow: I have said that I certainly will not be recommending to cabinet that we take over the Via Rail service to Havelock.

Mr. Samis: The only grey area then is the question of assistance as opposed to takeover, and that is pretty fuzzy.

Hon. Mr. Snow: We are looking at the commuter area, part of which is served by that line. The Stouffville line and the Havelock line cross in one area and they run parallel to each other. We are looking at it very carefully. I will be coming up with recommendations to cabinet in the near future on the Barrie, the Stouffville and the Havelock lines as to what we should do and how we can best meet the transportation needs of the people in those areas if and when the federal government cuts them off.

I will be making recommendations as to how we should handle the Stouffville-Barrie areas, but I still say it is the responsibility of the federal government and they should relent and agree to keep the Peterborough line going.

Mr. Samis: Where do things stand? Presuming Mr. Pepin does not change his mind, the time frame is in September and then the feds move out. What sort of time frame are you talking about as to what final decision you will make on behalf of the province on those two lines?

Hon. Mr. Snow: I have said I am going to try to get my recommendations to cabinet before Christmas.

Mr. Samis: Next week.

Hon. Mr. Snow: We are running out of time and I cannot say when cabinet will give me a decision, but we have to have a decision fairly soon in order to make plans. It takes five years.

Mr. Samis: That is my next question. How much time do you need just to effect a takeover? I am not speaking of just an upgrading.

Hon. Mr. Snow: It takes five years to implement full growth service. It took five or six years to implement the Milton one from the time the decision was made until the service opened. That is a full service with everything.

I hope we can get some decision early in the new year that would allow me—depending on what the decision is and I cannot speculate on

that; it is a hypothetical question at this time but we have very little time—to be able to implement some interim solution when the federal service is cut. It is not only the Toronto area that is affected; there are the northern Ontario service cuts. I complained about those. I do not disagree with all the things Mr. Pepin is doing. There had to be some rationalization in the service.

Mr. Samis: But there is no possibility of any provincial initiative, I presume.

Hon. Mr. Snow: Northern Affairs and we are now going around to the different municipalities that have been affected to assess what the effect of the cuts has been and to see what their needs are and what, if anything, can be done. I suggested to Mr. Pepin that perhaps he would maintain a daily service rather than three times a week so that they could have one train, a Budd car or whatever.

Mr. Samis: The whole focus it is taking is a policy decision to try to persuade the feds. Has any consideration been given to expanding Ontario Northland Railway service, for example?

Hon. Mr. Snow: ONR has never operated in those areas.

Mr. Samis: No, and you are not considering it either.

Hon. Mr. Snow: To my knowledge, that is not being considered, but we are looking at the transportation needs in all of those northern areas. They took the transcontinental line off between Ottawa and North Bay, for instance. They put on a day train three times a week up that route running through the Ottawa Valley. That is a better service than what was there. Although the transcontinental was daily, it ran between midnight and four o'clock in the morning at a time when nobody was travelling and it did not really supply any kind of a local service. At least the service they put on three times a week is travelling, as I understand it, at a time of day that is much more convenient. I suggested that should be a daily service rather than three times a week, but again that was not accepted.

Mr. Samis: I had an experience with the transcontinental this fall. I think it was supposed to leave Sudbury at one o'clock in the morning and it came in at 7:30 a.m.

Hon. Mr. Snow: That is the present status and we are prepared to accept our responsibilities.

I am not prepared to get into intercity rail

transportation. If we start running a train to Peterborough, as I said in Peterborough last week, then why should we not be running one to Collingwood, to Goderich, to Owen Sound and to any of 100 places you could name in the province.

Mr. Samis: We are not arguing that you should get into that field. We do want to get some clarification as to what the prospects are for the Stouffville and the Barrie lines since, as you have said, the time problem is serious as to their future.

Hon. Mr. Snow: We have been working on it diligently and on different options. We have had many meetings, and I expect to be putting my recommendations before cabinet next week.

Mr. Samis: I just hope you have more success with them than you have had with the Board of Industrial Leadership and Development lately in terms of getting them on.

Hon. Mr. Snow: Oh, it was done pretty well.

Mr. Samis: Where is all the legislation you were going to get through?

Hon. Mr. Snow: The legislation has been on the Order Paper for weeks and months and we have it all through second reading. We have a few committee discussions to carry on, which I understand are immediately after question period tomorrow morning.

You asked questions about the rail office. I think I answered those mainly for Mr. Mancini as well. The rail office works on all rail matters in the province. We do not have control over rail but we make interventions to all applications to the Canadian Transport Commission for abandonments or anything.

We have held off abandonments that were announced, especially in the Grey-Bruce area. They were proposing to abandon a number of lines up there. We are doing a complete study in co-operation with the CTC as to the overall needs in that area and that will go ahead. There are other abandonments planned by the railways which we will be intervening on. There are only four or five people, I believe, in the rail office.

Mr. Samis: Can I ask one quickie? What is the relationship between the rail office and the ONR? Is there any?

Hon. Mr. Snow: Our rail office is basically a policy office. ONR is a crown corporation that reports to the Ministry of Northern Affairs. It used to report to my ministry.

Mr. Samis: Another one you have lost.

Hon. Mr. Snow: Yes. It used to report to the Ministry of Transportation and Communications, but it was transferred, and rightfully so, to the Ministry of Northern Affairs when that ministry was formed. It operates almost totally in northern Ontario. Our rail policy office works with the MNA and ONR people in dealing with all kinds of policy matters or anything that goes before the CTC.

I am only on item 3 now and half the hour is gone. I do not know how we are going to do this.

You asked about financial inducements regarding the Urban Transportation Development Corporation. You talked about the Scarborough decision and the backroom pressure. I want to answer that because there was absolutely no backroom pressure of any kind. I do not know what you call backroom pressure. I, certainly, and none of my staff, and I do not believe anyone from UTDC, put any pressure or did a selling job on Scarborough.

The Scarborough line was set to be a light rail line using UTDC streetcars. The decision was made by the Scarborough council on a vote of 16 to 1 to ask the Toronto Transit Commission and Metro to change the system to an intermediate capacity transit system so they could have the new technology and so they could have a fully grade-separated system that would not be crossing streets at street level and interrupting car traffic. That went to TTC, which made a report to Metro saying it could be changed at this time.

There will be some modest waste of design that had been started for the other system, but the decision was made by Metro. Our only involvement was after they had made the decision. They came back to us for the additional funding for the extra cost. We agreed to it at that time, but after they had made the decision. So there was no backroom pressure.

Mr. Samis: Mr. Chairman, would it save time if I were to suggest that if the minister wants to he can leave any of his comments on UTDC and the Toronto Area Transit Operating Authority people until tonight and we can move ahead?

Hon. Mr. Snow: I was just going to suggest—

Mr. Samis: I am quite prepared to do that if you want.

Mr. Chairman: I would think that would be a proper solution to the problem in the interests of time.

Mr. Samis: Okay. That will save my asking any questions as well.

Hon. Mr. Snow: There are a great many other things I wanted to say. You asked what other things we were doing besides ICTS.

Mr. Samis: Why do we not start off tonight with your making that statement?

Hon. Mr. Snow: Okay. We will put that page aside then. You asked about TATOA, the extension to Oshawa.

Mr. Samis: How about it if I make the same suggestion with regard to TATOA?

10:30 a.m.

Hon. Mr. Snow: It is going to be this morning, so I might as well do it now as later.

Mr. Samis: I just thought if we have the other people up then we can get into more detail and pursue it then.

Hon. Mr. Snow: I will go through the general gist of things and we could leave the detailed questions until the other people are here.

One thing you asked about was the extension to Oshawa. We have had the CNR doing a detailed study of the necessary construction and changes that would be required to extend the service to Oshawa. That study is nearing completion. I understand we are going to receive it in January. Then we will be looking at that very carefully.

There is a problem of trackage. Once you go past Pickering, you are on the main line where the Toronto bypass ties in. The interim answer we got was that there will be a third set of rails needed between Pickering and Oshawa to allow GO to extend its service to Oshawa.

Electrification: Again this is something that was in the BILD study. I think I answered that in reply to Mr. Mancini the other night.

The Union Station and Bathurst project is an ongoing project. The Union Station construction is basically finished, although there will no doubt be more from time to time. With respect to the Bathurst Street grade separation and the Bathurst Street yard, part of it is in service now and part of it is under construction, but it will be another couple of years before that project is totally finished.

You asked about a new bus terminal. This is basically something that I have been trying to promote for years, but it is up to the private bus companies to get together. We have tried to encourage Voyageur, Gray Coach, Greyhound and Travelways and all the others to get together on a new bus terminal. There has been a lot of discussion with the city as to where it should be.

Mr. Haggerty: Down off Front Street.

Hon. Mr. Snow: Gray Coach wants a new terminal built where it is now. The city of Toronto thinks it should be down on the Lakeshore. Where it should be has been one of the big problems.

Mr. Haggerty: You would have some involvement in that with the GO bus service?

Hon. Mr. Snow: We have our own GO terminal downtown.

Mr. Haggerty: Where is that?

Hon. Mr. Snow: Right beside the other one.

Mr. Haggerty: At Bay and Dundas. That is pretty congested down there.

Hon. Mr. Snow: It sure is, but we are running fewer and fewer buses into Toronto all the time now. I do not think we have any buses coming downtown from the north whereas we used to have a great many. The buses are now connecting with the subway. We have a new bus terminal at Yorkdale. Most of our GO buses from all the northwest area come to the Yorkdale station and then the people transfer from there to the subway. Why bring all the buses right down to the heart of Toronto when the people can get on the subway?

Mr. Haggerty: I agree with you on that part, but there is congestion on Bay Street right now.

Hon. Mr. Snow: We know there is congestion down there.

Mr. Haggerty: It is for the east and west services from Hamilton to Oshawa and Whitby and that area.

Hon. Mr. Snow: We still have some buses—the Hamilton buses and so on—that come into the downtown area. We have looked at possibilities of interfacing them with the subway at Kipling in the west end to save them coming downtown as well. When we have a good subway there is no need to duplicate it by running buses alongside it.

It is the same with a lot of buses from Aurora, Newmarket and so on. They come to the Finch Avenue subway station on Yonge Street and then the people transfer to the subway. We are trying to bring fewer buses into the downtown area.

You asked about the Toronto-Milton line, the capital improvements there and the signal system. You read a letter regarding the welded rail. Apparently CP did install 136-pound rail east of Kipling Avenue. Because of the heavy volume from Kipling Avenue to Milton, they decided to use 136-pound rail for the smoother ride and for less maintenance. The heavier rail

is not required on the basis of the volume alone. West of Milton they thought the 115-pound rail was all that was needed.

Canadian National uses 132-pound rail for all areas of GO service. In this case Canadian Pacific apparently used 136. That is basically an engineering decision of the railroad and that is a condition of our agreement with them. I doubt if there is a great deal of cost. There are a few more pounds of steel of course.

You questioned CP buying the rail from Algoma Steel. Algoma Steel is the main producer of rail in Canada. There is one other supplier of rails, the Sydney Steel Company in Nova Scotia. CP has apparently always bought its rail from Algoma Steel even before Algoma became a part of the CP conglomerate. This apparently was one of the reasons CP did buy into Algoma, and Algoma treats CP as a customer like any other customer it sells rail to. I am certainly not objecting that they bought Ontario rail rather than rail from some other jurisdiction.

The next item you had was public transit—the TTC's need for expansion. You referred to three articles in the Toronto Star. I have to compliment the reporter who wrote those articles. I think he did a very good job of putting forward the problems in Metro Toronto for transportation. There was only one thing I advised him he had wrong. He said the articulated buses were going to be manufactured in Quebec. They are not; they are being manufactured in London, Ontario.

We could talk for hours about this, but when the official plan of Metropolitan Toronto was adopted a couple of years ago, they really opted out of any transportation planning. They did not really include transportation corridors on the Metro plan. There are decisions needed, as has been said and as the TTC people have been saying. Major decisions have to be made in Metropolitan Toronto in the next very short time if they are going to meet their needs for transportation. Hopefully, the TTC has a major study under way now, and I believe that will be expanded to include the study of the waterfront for the possible intermediate capacity transit system at the waterfront.

There has been some discussion on fares. Certainly TTC has increased its fares. I mentioned before there was a fare freeze a few years ago and that did not work. We tried to maintain a cost-revenue ratio. All transportation costs are going up. I think it is not unrealistic that the rider pay a reasonable share of the cost of

running the system he or she rides on. If they were paying for private transportation, they would be paying a lot greater increase in costs.

I still think TTC fares are the greatest bargain in transportation in North America. When you consider the amount of travel you can get in Metro now for one fare, you can travel a lot of miles. If you want to look at those fares, I have figures here and we could supply you with them.

Mr. Samis: Can I ask if you have those figures I asked you for on rate increases around the province?

Hon. Mr. Snow: CUTA, the Canadian Urban Transit Association, publishes figures. We have no way of knowing what may be planned in the future. Many municipalities may increase fares every second year; they may not do it every year. The fare policy is the policy of the local operator. We are not involved, but of course we subsidize the operating cost.

In the next item, you talked about road transportation and road safety—seatbelt usage. Seatbelts are in the neighbourhood of 60 per cent usage now. I am not happy with that.

Mr. Samis: Some of the studies were saying 50.

Hon. Mr. Snow: I do not know where you are getting your studies.

Mr. Samis: I have not got the thing here, but one was a federal study published in the *Globe and Mail* this fall.

Hon. Mr. Snow: May 1981 is the latest study I have. Is this our own?

Mr. Gilbert: Yes.

Mr. Samis: Did the feds not do one. It seems to me I recall one in the *Globe and Mail*?

Hon. Mr. Snow: Well, I do not know, but we could talk for an hour on this too. We can give you this information. We are at about a 60 per cent usage. The breakdown I have here is actually 64 per cent in rural areas and 57 per cent in urban areas. That is not high enough. I would like to see it much higher than that.

10:40 a.m.

We have had a pretty good record in the last five years on our overall safety programs. I am pretty proud of it. There is a reduction in the number of fatalities. Up to the end of September, fatal accidents are down 9.5 per cent; deaths are down 9.8 per cent; nonfatal accidents are up three per cent; and injuries are up 2.3 per cent. Total property damage claims are up 6.5 per cent. What we work to, and I do not have those figures here, are the injuries per million

kilometres travelled. It is the only way one can compare the accident rate from one year to another.

These are raw numbers I am giving you. You have to look also at the increase in the number of vehicles and the amount of miles or kilometres travelled. We are getting the number of deaths reduced. I think we reported last year that we had the lowest number of deaths since 1964 or some such year as that.

Child restraints: I have cabinet approval to bring in the child restraint amendment, and that will be done in the spring legislative package. We expect to have the federal regulations and everything approved by that time. That is a commitment I have made to bring that in the spring.

You discussed the driving age. I am not proposing to change the driving age in Ontario. I think it is appropriate as it is. I get very few suggestions that it should be changed. It is necessary for young people to be able to drive to get around, especially in the rural parts of our province. I know I got my driving licence when I was 15.

Mr. Haggerty: You were big for your size.

Hon. Mr. Snow: I had a liquor permit when I was 17 too. You used to have to be 21, but size may have had something to do with that. During the Second World War if you lived on a farm, you could get a driver's licence at 15 so you could help on the farm. That is how I got mine.

Mr. Samis: On the farm but not in the city.

Hon. Mr. Snow: We brought in the probationary drivers licence system. You know all about that I am sure so I will not go into detail. That is our response to dealing with the new driver—not just the young driver—in getting him off on the right start.

Small cars versus big trucks: that is all part of the truck safety commission work. We have appointed Dr. Uffen, who is now holding hearings. I have a great deal of confidence that Dr. Uffen will come up with some real answers to all these problems. I am very impressed with the man. There is a schedule of meetings. I do not know whether you have seen it or not. They are going to be held in the new year throughout the province.

Speed limits: We set the speed limits and the enforcement is up to the Solicitor General. In some areas in the province, it seems to be a different problem than in others. Many times when I am driving on Highway 401, I will put my car on cruise control and set it at about 100 or

105 kilometres and see how far I can drive without passing anybody or how many pass me. I know out on Highway 401 west of Toronto, I can drive for a long way and have very few people pass me. They tell me that between Toronto and Montreal it is a different situation. Now do not ask me why.

You talked about mandatory turn signals. That is something that intrigues me, and we are certainly going to do something about it. It is in the act now. You mentioned the Vermont signs. That is something I had not thought of really. It is something I am going to look into. You talked about the different speed limit for trucks. I know the Ontario Parks Association has suggested a 90 kilometre speed limit for trucks. There is a great argument about that. Our safety people in the ministry and the Ontario Provincial Police argue that a uniform speed limit for all traffic on the highway is safer than having trucks travelling at 90 kilometres and cars at 100.

You may argue that point, but all I can say is the truckers basically want it as an energy conservation measure. I have talked to truckers who tell me they actually give their drivers a bonus if the driver will bring back his tachometer card showing he has never been over 90 kilometres because that saves fuel.

One trucker told me about the saving in tires by driving at 90 kilometres an hour versus 100 or more. There is a tremendous saving in tire wear. It is an economic thing now with the trucking industry, but from a safety standpoint my experts in that field and the OPP do not recommend a change. But it is something we are continuing to look at.

Mr. G. I. Miller: Could I ask one supplementary? It may take a few minutes. Have you made any studies on the American experience where they have locked it in at 55 miles an hour for fuel conservation? Would that be useful on all our highways?

Hon. Mr. Snow: I have answered this question a thousand times. I hear the story about the Americans' 55 miles an hour. They have that, but it is uniform. We have 50 miles an hour on 90 per cent of our highways. We have 60 miles an hour or 100 kilometres on the freeways only and we have 90 kilometres on the TransCanada Highway to keep it uniform.

I understand the modern car today runs at 60 miles an hour just efficiently as it does at 55 miles an hour. That may not be the case with trucks. There certainly can be a difference of 10 miles an hour in the speed limit between driving

on a normal two-lane highway and driving on an expressway, rather than having a uniform 55, which would be increasing the limit by five miles an hour on most of our highways. I just do not think that is the right way to go.

Mr. G. I. Miller: Do you see many people driving at 80 kilometres an hour? My observations are that they will be running at the same speed, regardless of where they are, as long as the highway is good and the traffic is moving. Can I give you one more example? Between Hamilton and Brantford, it is 70 kilometres on a four-lane highway. I have driven that many times and I do not see anybody following the limit.

Mr. Mancini: It is a stupid speed limit. That is why.

Hon. Mr. Snow: Do you think they would follow it at 55 anymore than at 50?

Mr. G. I. Miller: From a safety factor I think there is nothing wrong with 55, and it might be an economic measure. It has been carried out in America and there has to be a reason for that. The most economical speed is 55. There is nothing worse than a truck running at, say, 65 miles an hour pulling out and passing on the Queen Elizabeth Way or any other highway. I think maybe there is merit to having a standard.

Hon. Mr. Snow: In the United States they do not follow the 55 either to a great extent.

Mr. Gilbert: There is a lot of pressure in the United States right now under the present regime to give a lot of the setting of speed limits back to the states again, as the minister has said. That was a national speed limit which was set and they have had a lot of problems with it from any discussions our people have had over the last year. There is a lot of pressure in the United States, and it appears the national government will be giving the speed limit, if it has not already, back to the states again. Then you are going to see all of these types of things develop.

Mr. Runciman: I think the United States has the option of adjusting speed limits. The stick, if you will, in the United States was the fact they would withdraw the federal funding for highways.

Mr. Chairman: Gentlemen, I think we could talk about this for a great length of time, but in the interests of time we should proceed.

Hon. Mr. Snow: I am trying to respond, Mr. Chairman, to the critic's item.

Mr. Chairman: I appreciate that.

10:50 a.m.

Hon. Mr. Snow: I do not know how I can do that if we get wandering off on all kinds of other areas. I am not against discussing them, but we can discuss them when we come to that vote.

Mr. Chairman: I quite agree. We also have the people from TATO here this morning and we are certainly going to hear from them, so I think we should proceed.

Hon. Mr. Snow: Another question was on driving schools, the driving school legislation, which we did have on the Order Paper last year. I have not given up on the idea of regulating the driving schools, although there does not seem to be a great deal of pressure to do so. With all the other things I had to do in scheduling legislation, it was not my highest priority, so we did not proceed with it this year. We are evaluating the whole matter of driver education in connection with the Ministry of Education in the meantime.

As to photos on drivers' licences, I am very disappointed that we have not been able to implement that. The legislation was passed two or three years ago to allow it, but I just have not been able to get the budget established to implement it. It has a one-time cost to implement it of about \$5 million, I believe, and an ongoing annual cost to maintain it. When we move the driver and vehicle section and all the record section to Kingston in the next year or two, or whenever it takes place, we are making provisions in our new system for the implementation of the photos. That will be done as soon as we can find the money in that section of the ministry budget to do it. That is about all I can say at this moment.

We are working on rest areas. I agree that there should be more rest areas along our major highways. We get a number of accidents caused by people pulling off on the side of the road and going to sleep. Then someone runs into the back end of their vehicles. The truck inspection stations are used by the truckers a great deal as rest areas. We are going forward to the cabinet committee on resources in the new year to recommend a policy of having rest areas off the roads under certain circumstances.

Trucking regulations are before the PCV review committee. We will be seeing the results of that committee's work in about another year's time, I hope, when their report comes back to us. In the meantime, the only changes in trucking regulations are the ones that are on the Order Paper at the present time.

You asked about standees on school buses. That is an ongoing discussion among school boards, the Ministry of Education and my

ministry. We could change the legislation to outlaw standees. That would have a serious economic effect on boards of education which would have to supply more buses. It would take away a lot of the flexibility of having the few children who are closer to the school permitted to stand as the bus fills up.

You asked for statistics on school bus accidents. I have not got them for 1980 and 1981, naturally, because 1981 is not quite over yet. The last statistics I have can be supplied to you. In 1979-80 there were 765 total accidents compared to 834 the year before. There were four fatalities in 1979-80, one within the bus and three outside the bus, which were incurred by children crossing the road, or whatever, but relating to the bus. Basically, the school bus industry has a very good safety record considering the number of children it carries on a daily basis on the almost 10,000 school buses in the province.

Mr. Samis: Can I ask you to supply that information?

Hon. Mr. Snow: That is in the book which we publish that you already have, but we can supply it again. The green-covered accident facts book has all that material in it.

You asked about the Leeds county stop arms. We are very impressed with that experiment and it is on our list of initiatives. It will probably be considered as part of the legislative package for the spring of 1982 with a lead time to allow the industry to retrofit. Hopefully, it will become effective in September 1982. I do not know whether that is enough lead time. We will have to have further discussions with the industry. As I said the other night, I do not believe in bringing it in on a new bus only basis because it would take us 10 years until we had a uniform system.

Mr. Samis: I can see that. I double-checked Hansard and you were correct, just as I was correct on the rail report.

Hon. Mr. Snow: With respect to the disabled, you talked about special licence plates. That is something we have under active consideration. I get conflicting opinions on that. A lot of the disabled people say they do not want to be singled out and identified on their cars as being people who are disabled. I am looking very carefully at the system in Nova Scotia where a disabled person can get a doctor's certificate without having to give all his medical details and apply for a disabled licence in a way similar to how one applies for a special plate now.

A year from now, hopefully, we will be implementing a completely new vehicle registration system—the plate-to-owner system. The system will be changed over from the three letters and three numbers to a much broader range. If you get your order in early enough, you will be able to have S-a-m-i-s as your licence number, if you want. It will cost you some money, but you will be able to do it. That is going to give us a lot more flexibility. I have my people working on it now.

I am very sympathetic to having a system available for the disabled as they do in Nova Scotia. We are also working towards a sample bylaw that municipalities might pass to control parking in shopping centres and other places where reserved parking is already there for the disabled. It would provide some way of controlling that so that nondisabled people would get a heavy fine if they ignore those signs and use those areas.

The next item you talked about was communications. You mentioned our Canadian content paper, which you already have and which we presented to the Canadian Radio-television and Telecommunications Commission. Some of the broadcasters disagreed with our position. As I understand the comments from the CRTC members who heard the case, the proposal was very well received and they thought it was a very innovative proposal. Where that will come out, I do not know. I will not spend any more time on it.

On our policy of bilingual signs, you agreed we have bilingual signs in the areas where we need them. We certainly try to. We do not have a specific French-language co-ordinator within the ministry, although one of the assistant deputy ministers is in charge of that area. It is certainly our position that we try to provide bilingual staff to deal with the public in those areas of the province where people are bilingual. This especially relates to driver examiners and people of that type who are dealing with the public.

The next great item you got into was campaign contributions. You wanted to ask me a lot of questions about campaign contributions.

Mr. Samis: No, I did not want to ask a lot of questions. I merely pointed out what was in the *Globe and Mail* and said it had caused some reservations. I did not ask any questions on that.

Hon. Mr. Snow: I make no apologies for the fact that I have a number of contributors to my campaign. They have all been listed in accordance with the Election Finances Reform Act.

The *Globe and Mail* article mentioned the fact that a considerable number of my contributors were from outside the riding. I think we all get contributions from people outside of our ridings.

Mr. Samis: No. The headline was “Many Snow Backers Have Transport Links.”

Hon. Mr. Snow: That is right, transport or construction links. You have to remember that I was in the construction business from the time I was 18 years old until a few years ago and I have a lot of contacts in the construction industry. Again, I am not at all apologetic about that. If the road-building industry and the transportation industry—I have been minister here now for six and a quarter years—think enough of me and the way I have handled this portfolio that they wish to contribute to my campaign to keep me here, then I have no apologies whatsoever for that.

11 a.m.

Mr. Haggerty: That is the same as labour supporting an NDP member.

Hon. Mr. Snow: I am not getting into that.

Mr. Samis: Imagine if this minister was in Industry and Tourism.

Hon. Mr. Snow: I would just like to mention a few things. When I go down the list published in the *Globe and Mail*—and I could go through my own list, which is more complete—I read a great number of those companies listed. There is Siscoe Metals of Ontario Limited of Toronto. The president of Siscoe is a constituent of mine and a fellow I go on the odd hunting trip with. Certainly I have no connection with that. They are not in the transportation business.

As for Manitoulin Transport from Gore Bay, Mr. Smith of Manitoulin Transport used to draw cattle for me, from the sales at Manitoulin Island, to my feedlot 20 years ago. I knew him a long while before I was ever in this ministry. He was certainly not asked in any way for any contribution. The contribution he sent in was without any solicitation whatsoever. Bob F. Pickett, Georgetown, is my next-door neighbour and lives on the next farm to me outside of my riding.

As to Lido Industrial Products from Toronto, the owner of Lido Industrial Products lives in the town of Oakville. Canadian General Tower Limited, Cambridge, has a major plant in my riding in Oakville. Although its head office address is Cambridge, it is a local plant.

Mr. Samis: I want to reiterate that I do not have any objection to funds coming in beyond your riding. That is not one of my concerns.

Hon. Mr. Snow: The main operation of Auto Haulaway from Windsor is in Oakville. In the case of George Wimpey Canada Limited, Toronto, the president and a number of the executives live in Oakville. Laidlaw Transport Limited of Hamilton has major trucking operations and yards within the town of Oakville.

In the case of John Grant Haulage from Mississauga, Jack Grant lives at Hornby and is one of my neighbours. As for Harper Detroit Diesel from Toronto, Mike Harper, the owner of that company, lives in the town of Oakville and chose to make his contribution through the company rather than as an individual. He was not asked, to my knowledge, for any contributions.

Some people have suggested some kind of arm-twisting or whatever went on in some of these companies in the transportation and road-building business to contribute. I assure you that is not the case. My fund-raising chairman sent out letters to all the people who have contributed in the past and there was no follow-up.

The contributions came in voluntarily in reply to one letter. I have no campaign or fund-raising committee that went out and personally contacted any of these people at all. I am not aware of any one person who was contacted personally to collect money from him. The money which was collected goes into my riding association. We have forwarded some of it to help with the central fund. It certainly does not do me any personal good. My campaign spent only half of the money we collected. We were not big spenders.

Mr. Samis: You are a very modest man compared to Grossman, I can tell you that.

Hon. Mr. Snow: I think we spent \$37,000 on the 1981 campaign. We spent \$32,000 on the 1977 campaign and \$38,000 on the 1975 campaign. If you take into consideration inflation and postage and printing costs, we spent a great deal less on the 1981 campaign. It could have been up another \$10,000 to keep it in comparison.

Mr. Samis: You spent one third of what Grossman spent.

Hon. Mr. Snow: Of course I got some of it back. I got 63.5 per cent of the votes in my riding with that modest expenditure.

Mr. Haggerty: He was very conservative in running his election campaign.

Hon. Mr. Snow: I have to say I am a great believer in recycling. I have election signs I used

in my 1967 campaign that have now been used in five elections. They are getting a little tired of them. I think I am going to have to repaint them.

Mr. Samis: Why do you not pass that cost-cutting suggestion on to Mr. Grossman?

Hon. Mr. Snow: Let Mr. Grossman or any other candidate answer. I read a very interesting article in the Oakville Journal Record headed, "Money Lost By Liberals After March Election." It said: "In an interview Tuesday, Mr. Elliot"—that was the Liberal candidate the last couple of times around—"blamed the deficit of his \$22,000 campaign on provincial Liberal Party leader Stuart Smith's negative campaign. 'It was just not being bought by the people,' Mr. Elliot said."

Mr. Samis: That relates to my comment? I do not recall raising that in my question.

Hon. Mr. Snow: The article goes on: "Anyone who was not a card-carrying Liberal just dried up," he said. Mr. Elliot said his campaign budget was reduced from \$25,000 to \$20,000 when it became evident that 'it was not going in our favour.'"

I thought that might be interesting for the record. You asked about public opinion polls. There were a number of questions on public opinion polls answered on June 1, 1981. We have no information available on any polls planned, but I believe I tabled—I don't know whether they actually got tabled yesterday—

Mr. Samis: Yes. I went through them on Tuesday night.

Hon. Mr. Snow: I had sent them over to the cabinet office where they do the tabling.

Mr. Samis: They were tabled Tuesday afternoon.

Hon. Mr. Snow: Our polls are basically related to ministry programs—energy-efficient driving, noise barriers and so on.

Mr. Samis: I commend you for the fact that they are actually related to your field and not linked with another ministry.

Hon. Mr. Snow: We have never done a popularity poll on the minister in his own riding. We do that every four years.

Mr. Samis: Do people have anything to say?

Hon. Mr. Snow: That is the only poll I give any significant effect to. That is the poll that counts, not these other ones.

Mr. Samis: I did ask you about cost, about how much you spent.

Hon. Mr. Snow: That was tabled in answer to a question. I cannot do any more than that.

Mr. Samis: No, fair enough.

Hon. Mr. Snow: You asked about the role of Northern Affairs and the role of each ministry. I have explained this before several times. The Ministry of Transportation and Communication implements the total highways program in all of Ontario. The budget is split. The capital budget—not maintenance or design or engineering or any of those other operations—is totally in my budget.

The Ministry of Northern Affairs carries the capital money for new highway construction for northern Ontario and is basically responsible for setting priorities in the north. In addition to its normal capital budget, it has the regional economic expansion budget. Some money from that budget is also spent on highway construction. There is also the resource road budget, a small budget for resource roads. Again, we build the roads, but the money comes out of its budget and it sets those priorities.

Our two ministries are working excellently together. Naturally, when this division of responsibility came up, there were a few problems in the first year or two. We are working together now in establishing the priorities and setting the program. We had our annual meeting a couple of weeks ago to confirm the construction program for northern Ontario for 1982-83. There were no disagreements whatsoever between the ministries.

Basically, once that meeting is held, we have our marching order for roads in northern Ontario next year. Then my ministry just carries right on and does that work. If we have not got enough money or if the jobs are coming in above budget, naturally we have to go back to MNA and ask, "Which job do we cut?" and so on.

Mr. Samis: You do concede it is Canada's only living example of sovereignty association?

Hon. Mr. Snow: You said that; I did not.

Mr. Samis: You did not disagree.

Hon. Mr. Snow: I do not agree either.

Mr. Samis: You are not disagreeing either.

Hon. Mr. Snow: We are not doing too badly here. The last item you talked about was the marine office—the Misener recommendations and our input to the federal government on marine matters. In reply to Mr. Mancini's question the other day, I answered most of that on what we feel is a very important mode of transportation and one that is very poorly understood by the general public.

11:10 a.m.

The general public do not see the ships going

along the Great Lakes system the same way they see the trucks and the trains travelling, but the system is very important to the economy of this province and to Canada. We certainly do have input to the federal government on such things as seaway fares and tolls. We have had a study of the Thunder Bay harbour facilities in conjunction with the harbour commission in the city, the federal government and ourselves.

Taking into consideration the importance of marine traffic and the energy efficiency of it, if my ministry is going to address the total transportation needs of this province, we have to be aware of what is going on in the marine mode. We have to have some input, even though we do not have regulatory control over it.

You asked about the Lakespan ferry service.

Mr. Samis: That is right.

Hon. Mr. Snow: Lakespan, a very innovative system we have supported, is a private enterprise system. We have supplied information to a number of people who have been interested in implementing this. Lakespan is a joint venture company between Canadian National and Rideau Shipping Limited. They did not do a good job of implementing the service. They bought this ship and we had the official opening of the service. They did not do a good job with the trucking industry. They did not have good sales. They admit this now and they have made a number of changes.

Mr. Samis: Where did they fall down?

Hon. Mr. Snow: Marketing. The marketing people just did not do the job of getting out and dealing with the trucking industry and trying to encourage traffic. The traffic carried for the first while was a disaster, but it is improving. They have changed management and additional funding has been put up. I am hopeful the service will now become successful. It has a great potential for taking traffic off highways and for saving fuel in taking those trailers across the lakes. I think there is a potential on Lake Ontario where that service is running. There is also potential on Lake Erie, Lake Huron and maybe even beyond that.

We are watching it and monitoring it very closely. I have one of my staff assisting them in marketing. I met the Ontario Trucking Association's new president a couple of weeks ago. He asked me to have one of my staff, who has been involved in this, meet with the executive committee and some of the carriers to explain the system to them and to try to answer questions. Many of their truckers could be interested in it.

They implemented the service at a bad time. If they had implemented the service when the economy was booming and there was a lot of freight moving, it would have been one thing. The trucking industry now has overcapacity and, naturally, a lot of truckers would sooner save the business for their own fleets and keep their equipment running around the end of the lake, rather than put the trailers on the boat and send them across.

The efficiencies of it are tremendous. I think the crunch will come about mid-summer next when we will see whether the system has succeeded or failed. If they are not generating traffic by then, I think their financial situation may be so bad they may not continue beyond that point.

Mr. Samis: The lack of success this year will not inhibit its operation next year at least?

Hon. Mr. Snow: No. I think the thing will continue to operate. It has to continue to operate this winter to prove it can be a 12-months system, so it will be carried on during the winter season. I think we have to give it a full one-year trial to see whether it can be a success or not.

You had a great many questions about the rail report and our response to a number of the different recommendations. I will not attempt to answer all those because it would take another hour or so at least. I will table a copy of that reply with the secretary of the committee and will supply copies to Mr. Samis. That will save considerable time.

Mr. Samis: You do concede you made that statement?

Hon. Mr. Snow: I think when you go through the report, you will find a lot of the recommendations are being acted upon. There are also a lot of recommendations in there that I disagree with.

Mr. Chairman: We have Mr. Parsons, the chairman of Toronto Area Transit Operating Authority, and Mr. Leach, the managing director, with us this morning. I would ask those two gentlemen to come forward now as the minister may wish to direct some or all of the questions with respect to TATO to both of these gentlemen.

On vote 2605, provincial transit program:

Hon. Mr. Snow: Vote 2605 is the vote for provincial transportation. In addition to the funding shown under vote 2605, there is a supplementary estimate. My supplementary estimate deals totally with the TATO program. If

the committee agrees, I would ask that while discussing the provincial transit vote, we discuss both the main estimates and the supplementary. We would consider we are really dealing with the whole. The supplementary estimates are \$18,920,000, totally for GO Transit; \$10 million for capital expenditures; and \$8.92 million for operations. In addition to the \$64,166,000 that is shown in the printed estimates, there is \$18,920,000 to be added to that.

I might as well explain the reason for the supplementaries right now and maybe that will deal with the matter. The \$10 million additional for capital is for the new order of bilevel cars purchased from Hawker Siddeley. We had not planned to order those cars in this current year. They probably would have been included in next year's budget. It was a decision to move that order ahead, partly because of the great need for work in the Hawker Siddeley plant. Of course when we moved the order ahead, we had to supply funding for it, so there is a supplementary estimate of \$10 million which will be the cash flow this year on the \$60-million contract.

The \$8,920,000 for operating is basically for increased fuel costs, for the new lines and for additional buses which have been put on. I think that is fairly self-explanatory.

Mr. Chairman: Thank you, Mr. Minister. Do any committee members have any questions with respect to this vote?

Mr. G. I. Miller: I was wondering what the plans are for providing a better service to Hamilton. I think it is an area that has been neglected as far as giving good GO service is concerned. Do you have any plans for upgrading and providing a better service for that part of Ontario? There are many people involved. They are putting an expenditure into the skyway bridge; I see plans are going ahead on that.

Hon. Mr. Snow: Are you against that?

Mr. G. I. Miller: No, I am not against it; I think it is going to be an improvement. But I am still saying there is a potential there for traffic to be generated. It would take them off of the highway if better service was provided to the Golden Horseshoe. Hamilton is the first step and Stoney Creek and the St. Catharines area are also affected. What are the plans?

Hon. Mr. Snow: TATO's mandate is to supply a commuter service. I do not like to look upon Hamilton, a very industrialized city, as a bedroom community for Toronto. In fact, there is a lot of commuter service into Hamilton that

is provided by GO Transit, the GO bus system, from Burlington into the city. We have only the two trains a day.

11:20 a.m.

From the way some people talk you would think we had nothing going to Hamilton. We have two trains a day coming out of Hamilton and going back. In fact, there are only two trains which go beyond the main Oakville station. Once you get to the West Oakville station, the Burlington station and Hamilton, there are the two trains. The rest of the service is supplied by bus.

We have been looking at and we are continuing to look at trying to get more trains through, at least to the main Burlington station. That would be a great help, and then buses could interconnect there. There are very major problems involved. Hamilton is a most difficult city to handle railwise because of its location. There would be a major capital expenditure, as we are told by the railroads, to get the capacity to have more trains run into downtown Hamilton.

The Hamilton people presented a brief to TATO A at its last board meeting which we will be considering. They are asking to change stations from the present station over to the old Toronto, Hamilton and Buffalo station and possibly extend the service beyond Hamilton to the Stoney Creek area. I was somewhat surprised by that submission, with the chamber of commerce supporting it. In other words, it was supporting a system that would take the shoppers out of Hamilton and send them to Toronto to do their shopping and back. That is surprising to me.

Mr. G. I. Miller: Do you not think it could work both ways? People might like to go to Hamilton to do their shopping.

Hon. Mr. Snow: Let's not talk about shopping too much because we are not in the shopping business. GO trains do not run normally on Saturdays and Sundays, which is when most people do their shopping.

Mr. G. I. Miller: They do not run on Saturdays and Sundays?

Hon. Mr. Snow: They do on the Lakeshore line, but not on the rest of the lines.

Mr. G. I. Miller: From a recreation aspect there is still quite a need there with Toronto having the Blue Jays ball team and the major sports which take place on weekends. It seems to me if you really want to provide a service, you have the potential of people to work with.

How is the co-operation between the two

stations? Do you know about those two lines? Is there co-operation between them to utilize the rail service?

Hon. Mr. Snow: As I say, we have studied the possible use. If there were to be full service or increased service implemented into Hamilton, it would probably involve changing over to the other station. We run an excellent GO bus service out of Hamilton.

Mr. G. I. Miller: I don't deny that.

Hon. Mr. Snow: The funny part is that the two trains that leave Hamilton in the morning at 6:30 or 7:00, or whenever, leave about twenty minutes or half an hour apart. At the same time those trains are leaving, there are buses leaving. The buses leave from different points. There is no capacity problem on those trains; there are all kinds of seats. The trains start off empty, so anybody who gets on in Hamilton gets a seat. They may not have that same privilege coming home, but they do in the morning.

At the same time as the GO trains leave Hamilton, there are a number of buses leaving. During that same hour period these express buses carry far more people out of Hamilton. Some of those buses meet the train at Oakville; others go express right through to Toronto. It is really a more popular service than the train, and faster, I believe.

Mr. G. I. Miller: Once you get a little older it is hard to try to get up and down those stairs in the Hamilton station. I do not know whether you have ever utilized it or not.

Hon. Mr. Snow: No, I have not.

Mr. G. I. Miller: It is a long trail down there and very inconvenient.

Hon. Mr. Snow: All of our GO stations have stairs of one type or another.

Mr. G. I. Miller: People are not going to use something if the service provided is not attractive. I hope the minister would give more serious consideration to providing a better service.

Hon. Mr. Snow: One thing I would like to do is get two or three more trains per day, at least through to the Burlington station. We are looking into that now.

Mr. G. I. Miller: I still say Hamilton needs a station that provides access and is simple to get to. The service that is being provided is old and outdated. There is certainly room for a lot of improvement there, either at the Toronto, Hamilton and Buffalo or at the old Hamilton

station. Those are probably good locations. Either one is very accessible to the downtown area.

Hon. Mr. Snow: We are very much tied into the railroads and what they can supply us. Once you go past Burlington, you get into all the freight traffic coming around the bypass that takes off from Burlington and goes up around Milton and Brampton and into the north Toronto yards. We have had the railways doing studies. It is a double track past Oakville. To put a third set of rails there means crossing both the Bronte Creek and the Oakville Creek bridges and those bridges are built for only two sets of tracks. If we had to put a third set of rails through there, we would have to widen both those bridges. Those are pretty expensive projects.

What we really need and what would be the ideal service would be to have two or three more trains a day going through to Burlington and Hamilton if possible. We are running two trains a day to Hamilton now; three on the Milton line, three trains in the morning and three at night; four on the Georgetown-Brampton line; and three on the Richmond Hill line. Those lines run only five days a week. During the in-between period and the weekends, the service is covered by buses, which is much more economical than running the trains.

Mr. G. I. Miller: From the population point of view Hamilton has a much larger base of people to draw from than Milton and Georgetown. It just appears there is more priority being given to outlying areas rather than to an established area like Hamilton with its population base.

Hon. Mr. Snow: I know Hamilton has had GO train service for 15 years, but Milton has had it for two months.

Mr. G. I. Miller: I just want to make that point, Mr. Minister. It is up to you and to the people here to take that into account.

Hon. Mr. Snow: There is no point at all because they have had the service for 15 years—since 1967.

Mr. Samis: Mr. Mancini tells me he does have something of interest to the committee he will table before adjournment. I am sure the minister will be pleased with that.

May I ask several questions here? First, I would like to deal with GO East. Is Mr. Leach here, by the way?

Hon. Mr. Snow: Yes.

Mr. Samis: Fine. There is that famous quote of yours in the Toronto Star. There is no date on

it. "Track Rents Threaten GO Commuter Line Takeover." It is an article by Paul Dalby. In that is the famous Al Capone quote you made. You said there is no negotiating room in view of the fact they own the track and "their attitude is that if you don't like it, you can always build your own railway."

To what extent does that imperil the possibility of expansion? I would appreciate it if you could expand upon your statement about their basic negotiating position, their apparent total inflexibility, and why you would feel compelled to make a statement comparing them to Al Capone.

Mr. Leach: Many things are said in the heat of negotiation. That is one I probably wish I had not said. The Canadian National Railways have a study under way at the present time. We do not know what the study is going to bring forward. We do know it is going to be an expensive proposition. We have been made aware they are going to require a third set of tracks. Our bargaining position is somewhat limited because we must either accept their position or reject it completely. It is not possible to go out in this day and age and build your own railway line.

Mr. Samis: Are they totally inflexible on this whole question?

Hon. Mr. Snow: The negotiations have gone on for a long time. The ministry entered a contract with CN when GO Transit was started in 1967. TATO A did not exist at that time; it was the ministry that contracted with the CN for the implementation of the GO service. That was a 10-year contract, as I recall, and at that time CN was so interested in getting out of the passenger transportation business I think we got a better contract because there were more negotiations. I well remember when I lived in Oakville they wanted to get out of supplying commuter services and there was great pressure on them to increase commuter services on the Lakeshore run. When Ontario decided to get into the business and CN was getting out, they were quite happy to enter into such a contract.

11:30 a.m.

When that 10-year contract ran out and we had to renegotiate, we were in the business and they were out of it and we did not have as much negotiating power. There were certainly very hard and long negotiations on the contract. In the final stages it even involved meetings between Dr. Bandeen, the president of CN, and me on a couple of occasions. Eventually our new 10-year contract was signed.

We have a similar contract with CP Rail. All of our services are CN except the Milton line, which is on a CP right of way. We negotiated a contract with CP, which is not identical word for word with that with CN, but is similar in basic thrust. There are negotiations; it has to be a negotiated contract, but there is no competition.

Mr. Samis: I appreciate that. Can I ask about the figure quoted in the December 9 story in the Toronto Star entitled, "GO Rail Extension Financial Study Nears Completion"? They are guesstimating that the cost would be in the \$50 million ball park.

Hon. Mr. Snow: That has been a tossed-out figure; that is strictly what it is. As I said a few minutes ago, we expect the report and study from CN to be in our hands before the end of January. Is that right, Mr. Leach?

Mr. Leach: Yes.

Hon. Mr. Snow: Only when we receive that will we really know what is involved.

Mr. Samis: Do you think \$50 million was in the ball park? Obviously you have to wait until you receive the report to know, but does it sound like a reasonable estimate?

Hon. Mr. Snow: I would not be shocked if it is that.

Mr. Samis: On GO expansion plans, if we leave out the question of the two commuter lines in dispute right now, what are the priorities of rail expansion? Would the Oshawa extension be at the top of the list?

Hon. Mr. Snow: I would say yes, the extensions on the Lakeshore east and west. We have completed our upgrading of the Lakeshore line as far as stations are concerned.

When GO Transit was started—and let us go back in history a little bit—in 1967 it was announced that it was going to be an experimental program and we did not do much with stations. The Oakville station, as a matter of fact, was a little cubicle of glass and aluminum, about the size of where you and Mr. Mancini are sitting; it was like a bus shelter. That was the station. Many of the other stations were the same.

We started a few years ago on a new program of upgrading all of these stations. We built a new station at Burlington, at Clarkson, at Port Credit, at Rouge Hill and many other points. Of course, on the Milton line the new stations went in as part of the line, but on the Lakeshore line they did not. We have had an upgrading

program. That is now complete. For obvious reasons we left Oakville to the last. That station will be finished this winter and then we will have all of the upgrading done. That is an ongoing program.

As far as major expansion goes, leaving out the Via lines the two areas we are looking at are east to Oshawa and west to Burlington and Hamilton.

Mr. Samis: In one of the articles here it talks about a severe shortage of rolling stock and the fact that you cannot expect any help from Via Rail. How severe is the shortage of rolling stock?

Hon. Mr. Snow: We have enough rolling stock. While we were waiting for the Milton line to go into service, from the time we bought the 80 bilevels a couple of years ago we had a surplus of rolling stock. We have leased some of that stock out to Via at various times. We leased a number of cars to Boston in the United States—

Mr. Samis: I saw them this summer, in fact.

Hon. Mr. Snow: —and they wracked up two or three or four or five. They seemed to have a great habit of damaging our cars. How many did they write off down there?

Mr. Leach: Five.

Hon. Mr. Snow: We will not be getting back the five cars we sent down there. Of course, we are compensated for them.

Mr. Samis: Was it vandalism or other problems?

Hon. Mr. Snow: Accidents—derailments, fires and so on. We burnt one or two. Those cars are either all back now or will be coming back in the very near future. We had to get back some of those cars. They would have liked to have kept them, but we had to have them back to implement the Milton line. The decision was made to order 70 new doubledeckers and it will be almost another year before we get the first car.

Mr. Samis: When in 1982 do you get those? The fall of 1982?

Hon. Mr. Snow: In the fall of 1982, running through into 1983. We will get so many a month.

Mr. G. I. Miller: What is the price of the cars?

Hon. Mr. Snow: In round figures, \$800,000. We made the decision to advance the order for the bilevels. Our proposal was to then sell off a lot of the single-level cars because we can get

more capacity. The length of our stations limits us to a 10-car train, so we just cannot keep adding cars.

Mr. Samis: Who do you sell those off to, just out of curiosity?

Hon. Mr. Snow: Oh, there are lots of people.

Mr. Samis: In Canada, or are we talking about American buyers?

Hon. Mr. Snow: Both. Vancouver want to buy some.

Mr. Samis: Their transit authority?

Hon. Mr. Snow: They want to set up something similar to a GO system in Vancouver, in addition to the ICTS system they are putting in. There are other purchasers offshore, South America, for example. Cuba was talking about wanting to buy a lot of cars. Mexico is interested. Boston would have been a possible customer. There is a market for those cars, but when the Via Rail cuts were announced, I immediately put a freeze on the selling of any of that equipment.

We could not have delivered it yet. We need the equipment until the bilevels start coming. We had planned to have all bilevels cars; our total fleet would be bilevels. Now we are keeping the single-level cars at this time, with the exception of possibly 20 that may be going to Vancouver, and then we would have those cars to implement services on the Stouffville or Barrie lines, if that is the decision.

That causes me more financial problems because when we took the program to Management Board of Cabinet to buy the \$60 million worth of new cars, we told Management Board we would have income of \$20 million. We were going to get about \$20 million back from selling the old cars. Now I am in trouble with Management Board because I am not selling the old cars, at least for the present time.

Mr. Samis: But that does not preclude the possibility you will in 1983 or something of that sort?

Hon. Mr. Snow: We may be in a bit of a crunch to put service on those two lines because our bilevels do not start coming in until late next year. If we have to start service in September 1982 there is a little bit of a problem area there, but we think we can handle it. We have to keep a certain amount of extra equipment because of mechanical difficulties. We have to have an

extra train available. What we do need is a number of new locomotives. We do not have any surplus locomotives.

Mr. Samis: What is the lead time there from time of purchase to time of delivery?

Hon. Mr. Snow: It takes about a year to get a locomotive, but that is not a serious problem as far as implementing the service goes because we can always lease locomotives. We lease them from CN or CP, as they lease ours sometimes on the weekends and what not.

Mr. Samis: Are their leasing policies or attitudes more flexible or more agreeable than when we were talking about rail rights of way and things of that sort?

Hon. Mr. Snow: If they need extra locomotives on a weekend—in fact, we have leased the total trains to Via. They run one to Windsor, say, on a holiday weekend or something.

Mr. Samis: Did you lease some for that march on Ottawa?

Mr. Leach: We will be leasing them over Christmas.

11:40 a.m.

Hon. Mr. Snow: Over Christmas, when we have additional equipment and when they have a rush, because it is their peak period, they will lease equipment from us. There are accepted prices that we pay them or they pay us. It is the same with the buses. We lease our buses to Gray Coach on weekends and for charters and so on when they are not needed for transit. Again, when we are short of equipment we lease buses from Gray Coach.

Mr. Samis: My only point here, talking about the extension to Oshawa, is surely we have some power of negotiation in this type of thing compared to the rail lines themselves. But you say they can virtually tell us to take it or leave it.

Hon. Mr. Snow: We negotiate certainly, but we do not have the option of saying: "Okay, CN, we do not like that. We will go and deal with another railway." If we want to run the service we have to end up by signing a contract with them. We do not negotiate from the strongest competitive position, if you want to put it that way, but we certainly negotiate.

Mr. Samis: Can I ask a very general question about fares. What sort of projections do we have now in view of the fact that we have a little better handle on energy costs? What range of proposed fare increases are we looking at for the GO system, say, in the next two to three years?

Hon. Mr. Snow: Since the three-year freeze put on fares by the former Treasurer thawed, we have been making annual submissions to cabinet for fare increases. Our goal is that the fare box should pay 65 per cent of the operating cost, the other one third being paid by way of subsidy.

Each year for the last six years we have had fare increases and I anticipate that we will continue to have fare increases. The cost of labour—

Mr. Samis: I am not disputing increases; I just want to get some handle on what you are projecting.

Hon. Mr. Snow: I think our increase this year was about 18 per cent. It varied between runs. That is the largest increase we had had.

Mr. G. I. Miller: How does that compare with Via? I mentioned the other night the apparent doubling of fares between Brantford and Toronto. I am wondering if there are any comparable figures and if you are comparing on that basis.

Hon. Mr. Snow: I think the Via fares on their commuter runs are established at basically the same rate as our fares.

Mr. Parsons: Their fare between Toronto and Hamilton is the same as our fare between Toronto and Hamilton, within a nickel.

Mr. G. I. Miller: Has it gone up to any great degree in the last week?

Mr. Leach: Not to my knowledge.

Hon. Mr. Snow: Via raised all fares this week.

Mr. Samis: On December 15 there was a general, across-the-board increase by Via Rail.

Hon. Mr. Snow: I do not know what that did on their Toronto-Hamilton fare because ours would not have increased this week. Ours increased on July 1 or whenever it was.

I do not see any alternative to having reasonable fare increases to cover the increased cost of fuel and other things.

Mr. Samis: I just want to get an idea how GO Transit compares to other forms of transportation in its increases.

Hon. Mr. Snow: The policy is to recover 65 per cent of the operating cost from the fare box. We charge the same fare from Hamilton to Toronto for train or bus.

Mr. Chairman: I believe Mr. Mancini has a supplementary on this.

Mr. Mancini: My information appears to indicate that the fares are covering about 53 per cent of the operating costs of the GO Transit

system and the minister stated they would like to recover about 65 per cent. I want to verify that it is about 53 per cent.

Hon. Mr. Snow: After the fare freeze we were down below 50 per cent. The long-range plan was to increase fares gradually to get us up to the 65 per cent. We have increased the fares, but unfortunately at this time of fuel costs and everything going up so much, and with the new CN operating agreement, we have not got to that. I thought we were about 53 per cent and I heard a figure of 57.

Mr. Leach: Fifty-five.

Mr. Mancini: Is the 18 per cent increase you mentioned going to go into effect this year, or has it already been increased?

Hon. Mr. Snow: It went into effect last spring.

Mr. Mancini: How is that going to change the 55 per cent figure?

Mr. Leach: We plan to reach a goal of 65 per cent by the year 1985. This year it will increase to 57 per cent, then to 60, 63 and 65 per cent.

Mr. Mancini: What type of percentage increases are you looking for in the next three years to get to 65?

Mr. Leach: It will certainly depend on the operating costs and the number of passenger carryings we have. We expect to increase our passenger carryings from 20 million to 30 million in the next four years. That will make up a large part of it. We will have to have fare increases that range roughly in the 15 per cent range.

Mr. Mancini: So we can look at 15 per cent for the next four years then.

Mr. Leach: Depending, of course, on passenger-carrying increases.

Mr. G. I. Miller: What has been the passenger increase in the last three years.

Hon. Mr. Snow: Fares or passengers?

Mr. G. I. Miller: No, passengers, because that has an influence on the income you are going to make.

Hon. Mr. Snow: It sure does. We have to put extra equipment on to carry them too. Our passengers for the first seven months of this year over last year are up 7.5 per cent total—10.4 per cent on the buses and 5.5 per cent on the trains.

Mr. Samis: Is that an across-the-board increase in terms of trains? When you break it down, is that five per cent you said for trains?

Hon. Mr. Snow: I am talking about the period

April to October. During that period in 1981 compared to 1980, the trains carried 5.5 per cent more.

Mr. Samis: I assume the Toronto Area Transit Operating Authority people have a breakdown of each line.

Hon. Mr. Snow: Oh, yes. Which line do you want?

Mr. Samis: I am just asking if there is an across-the-board increase?

Hon. Mr. Snow: The Lakeshore line is up 5.2 per cent; the northwest line, that is, Georgetown-Brampton, is up 5.7 per cent; and the Richmond Hill line is up 7.1 per cent.

Mr. Samis: Pickering?

Hon. Mr. Snow: That is the Lakeshore. It is an average of 5.5 per cent. The average on the buses is 10.4. On the bus routes, the Brampton-Bramalea route is up 36 per cent; the Streetsville-Milton line is up 18 per cent; and the Newmarket-Barrie-Sutton route is up 16.2.

Mr. G. I. Miller: That is on the buses?

Hon. Mr. Snow: That is on the buses. Finch-Bayview is up 20 per cent. There is one line, the Hamilton-Lakeshore, which is down four per cent.

Mr. G. I. Miller: Are the buses up because you are dropping them off at the subway station? Is that probably one reason?

Hon. Mr. Snow: No, it is just increased ridership.

Mr. G. I. Miller: Would you say it could have some influence because you are picking them up here and dropping them off at the subway?

Hon. Mr. Snow: No, that does not influence the increase. A lot of the riders would sooner have the direct bus downtown.

Mr. G. I. Miller: But you said a while ago you would not be providing so much bus service. You were trying to keep them outside the city.

Hon. Mr. Snow: That is exactly what I said, Mr. Miller. I said when we did that we had a number of complaints from passengers who liked the system of being able to get on the bus in Newmarket and get off at the corner of Bay and Wellesley or wherever. Now they get on the bus at Newmarket and change to the subway at Finch Avenue and then come down on the subway. I would not say there has been a lot of complaints, but there were a number of people who did.

Mr. G. I. Miller: It takes a while to get used to that.

Hon. Mr. Snow: It is just not economical or fuel-efficient or anything else for us to be running buses all the way down into the heart of the city when the people can get on the subway and ride the subway line.

Mr. G. I. Miller: Why would that not work in Hamilton? Instead of transporting them all the way to Toronto by bus, you could put your priority on providing a good station in Hamilton. Then they could use the bus system to the station and the GO train to Toronto.

Hon. Mr. Snow: Getting them to the station would be the responsibility of Hamilton transit. We do not run local transit systems. We run GO buses now from Hamilton to the Oaville station where they transfer from the GO bus to the train.

Mr. G. I. Miller: Would it not make good sense to have a good station in Hamilton and provide that same service from Hamilton? If that \$90 million or whatever you are going to put in the Urban Transportation Development Corporation were directed that way in the beginning, the direction would provide a better service for Hamilton and might be more acceptable.

11:50 a.m.

Hon. Mr. Snow: We are talking about two different things. We are talking about a municipal transit system and we are talking about intercity rail transportation.

Mr. G. I. Miller: But you say you do lease those buses and they are interchangeable. If there are not any here, you use them there.

Hon. Mr. Snow: There is no doubt if we put more trains on to Hamilton, we would have to cut off buses.

Mr. G. I. Miller: You would have less buses using the Queen Elizabeth Way.

Hon. Mr. Snow: That is right.

Mr. G. I. Miller: Is that not a saving?

Hon. Mr. Snow: No, it would be a considerable extra cost. It costs a lot more to run trains through to Hamilton than it does buses.

Mr. G. I. Miller: Is rail not the cheapest way of transportation?

Hon. Mr. Snow: No.

Mr. G. I. Miller: Buses are cheaper?

Hon. Mr. Snow: Yes.

Mr. G. I. Miller: Energy-wise and otherwise?

Hon. Mr. Snow: Yes, considerably.

Mr. Samis: On a short haul.

May I pursue the question of the buses briefly and the whole problem of the bus terminal in downtown? The bus terminal in this city in my opinion is an absolute disgrace.

Hon. Mr. Snow: I agree.

Mr. Samis: Compared to the city of Montreal, which has a first-rate facility, this thing is absolutely bush league. Where is the greatest problem? Is it the differing opinion among the bus companies as to where they want it? Is it the city? Is it the conflicting jurisdictions? Why cannot we get together and get something moving? I know this topic of discussion has been an ongoing study. Most people seem to agree the present facility is totally inadequate. What are the greatest roadblocks preventing some sort of action on it?

Hon. Mr. Snow: That is a problem of the intercity carriers, the private bus industry. They supply their own terminals. We lease space in many cases from them.

Mr. Samis: But surely you have an involvement in the process of finding an adequate facility.

Hon. Mr. Snow: No, we do not in this particular case.

Mr. Samis: But surely you have an interest in Toronto obtaining a decent facility.

Hon. Mr. Snow: We have tried to get the different bus companies to sit down. We took the initiative on the Yorkdale station. That is our terminal. GO Transit is the biggest user of that terminal, so we took the initiative and entered into the arrangements to build that terminal. We lease out space to private bus companies there. Some of the private bus companies come into that station. In other areas, we will lease space from the private bus companies if they own the station.

We certainly have an interest and I am trying to encourage it, but it is not our policy to subsidize intercity private bus transportation.

Mr. Samis: I am not suggesting that. I am just saying to you, as the Minister of Transportation and Communications, since GO already has a policy now to discourage buses coming downtown for very justifiable reasons, surely you have a direct interest in seeing that the city of Toronto and the private carriers resolve this problem. From your perspective, what seems to be the greatest obstacle to the different parties being able to work out a solution?

Hon. Mr. Snow: It is the private bus companies. As I understand it, Gray Coach wants to keep its present location. They want to enter into an agreement. They own that site. Their contribution to a new terminal would be the land they already own. Then there are Voyageur and Greyhound, the other two main players, and Travelways and many others that come in.

I understand the city of Toronto thinks that is not the right place for the station. There has been talk about sites down along the Gardiner some place. I agree if proper TTC connection could be made to that, then that would eliminate the need for all those buses coming up to the Bay Street area.

The needs of a GO Transit bus terminal and an intercity bus terminal are somewhat different. The intercity is carrying people who have luggage and suitcases and so on. GO is carrying commuters who have no luggage. I have been doing everything I can to get those people together and to get a proper bus terminal for Toronto.

Mr. Samis: Do you think you are making any progress or are things at a complete impasse?

Hon. Mr. Snow: I do not think there is too much progress being made today.

Mr. Samis: For the bus-using public, I just say that facility is a black mark in the considerable progress that has been made in Metropolitan Toronto. I think the GO Transit system is an excellent system. You have upgraded the facilities at Union Station; you have integrated them and made them much more efficient. It just stands out as a sore spot in terms of that mode of transportation. It just does not bode well for that industry if it cannot resolve it.

Hon. Mr. Snow: I agree with you fully. My staff and I have done everything possible to try to co-operate and encourage a new terminal, but I have refused to put public dollars into a new terminal.

Mr. Samis: Can I ask briefly about the current status of the fare integration project? Where do things stand with those?

Hon. Mr. Snow: There are two fare integration systems working now, one in Brampton and one in Oakville. The Mississauga one starts when?

Mr. Leach: It has started.

Hon. Mr. Snow: We ran the first test project

in Brampton. Then Oakville Transit came in and wanted to run a test, so we entered into an agreement with them for nine months.

Mr. Samis: Do you consider those two now in place beyond the level of pure experiment?

Hon. Mr. Snow: Yes.

Mr. Samis: It is now a semi-permanent fixture along with GO Transit?

Hon. Mr. Snow: Right. We used those as tests to see how the things would work and what the costs would be. They were basically pilot projects. The ridership went up very substantially on the local transit. Now that has created some problems for the local transit people because it is very rush-hour oriented and they have to have a number of buses available when that 6:30 train comes in. They do not have use for those other buses all day. So it is creating some equipment problems for the local transit. The ridership has gone up very much in both Brampton and Oakville.

The agreement there is they use the GO ticket. The GO ticket gives them a free ride on the local transit system. We pay 75 per cent of the fare. If the fare is 50 cents, as it was in Oakville—I think it has gone up now—we pay 37.5 cents a ride. It works out to 75 cents a day. Oakville Transit takes that as the total fare. They get less money per rider but they get extra riders and it keeps cars off the road.

Mr. Samis: That is why I think it is an extremely worthwhile project.

Hon. Mr. Snow: Some people would say, "How can you afford to give those people free rides?" If you figure out what it costs us to provide parking, it costs us a lot more than 75 cents a day to supply a parking space for someone. So it is cheaper for us to get a passenger there on the transit, than it is to provide a parking space for him. In many of these stations, the expansion of the parking is getting to be almost impossible—there is no more land left—unless we start building upstairs garages. That will become very expensive.

Mississauga did not want to lose the revenue that Oakville and Brampton have accepted, so I believe they are charging their people \$6 a month for a pass. We are still paying three quarters of the fare, the same as we do in Oakville and Brampton, but Mississauga is not

absorbing the other quarter. They are charging Mississauga residents \$6 a month for a pass to ride the local transit system to the GO station.

12 noon

Mr. Samis: How long has it been in operation in Mississauga?

Mr. Leach: One month.

Mr. Samis: What has been the response?

Hon. Mr. Snow: There have been 200 passes, I understand.

Mr. Samis: Do you consider that adequate compared to the others?

Hon. Mr. Snow: It is a start. These things do not start off with a bang.

Mr. Samis: No, I understand that. That is why I am asking for the comparison.

Hon. Mr. Snow: I am surprised that the number is so low, but I think that if Mississauga had gone along with the same system as the other places, it probably would have had more riders.

Mr. Samis: What would be a comparative figure for Brampton for a couple of months?

Mr. Leach: The systems are different. In the Mississauga situation they must buy a monthly pass; in the Brampton and Oakville situations, they can buy 10-ride tickets or single fares.

Mr. Samis: Have you had any interest expressed in any of the transit areas east of Toronto? Are they becoming a part of this?

Hon. Mr. Snow: They have all been offered the same agreement. I don't know if any more are ready to come on stream or not.

Mr. Leach: We have negotiations going on in the east with Pickering and Oshawa.

Mr. Samis: But there is nothing close to fruition?

Mr. Leach: I think it will take place.

Mr. Samis: Can I ask for a general update on the TeleGO system as well?

Hon. Mr. Snow: We call it something different—Teleride. Mississauga had that on its municipal system. It is a great system. They are talking about using it in Oakville. It is a computerized system which was tested first in Mississauga and then in Ottawa, which has also implemented it.

I cannot explain exactly how it works, but it seems to be going over quite well. If you phone a certain number you will be told through the computer the time of arrival of the next bus. It is especially important where buses do not run

every 10 minutes or so, where they may be a half hour apart. In cold weather, if the bus is running 15 minutes late, you do not want to stand outside and wait 15 minutes for the bus.

Mr. Samis: This system is used in Ottawa, Mississauga and Brampton, is that right?

Mr. Leach: It is in only two places. Brampton does not have it now.

Mr. Samis: What are the prospects for expanding that in 1982?

Hon. Mr. Snow: The company that designed the system and sells the computers was at the American Public Transit Association convention in Chicago to display the system to all the transit authorities from the United States, and Canada as well, that attended. It has proved itself, and I think you are going to see it catch on.

Mr. Samis: Is it common in the United States?

Hon. Mr. Snow: I do not think so.

Mr. Gilbert: This company is trying to break into the US market and a lot of interest has been shown. It started with Dr. Kates, who is well known in the consulting area. He started this with Mississauga a number of years ago. It has been slow in developing but there are positive signs and a lot of interest in the United States. Ontario Energy Corporation has supplied some funding to the company to help get it going because we see some real pluses in it. As the minister says, there has been a great increase in off-peak ridership in the use of those lines.

Hon. Mr. Snow: The transit systems have to establish their level of service, the number of buses and so on, to meet the peak demand of the commuters. Every transit system has tremendous excess capacity in the off-peak hours.

The Teleride system is partly aimed at those people who say, "I do not know when that bus is going, so I will take my car downtown." It is also trying to encourage shoppers and off-peak riders, such as senior citizens, to use transit by making it more convenient. The system tells them when the next bus is going to be at their stop. Getting those riders to use transit means additional revenue for the transit system without the necessity of running more buses.

Mr. Samis: I think it is a very welcome innovation and I just hope it spreads in popularity, especially now that I know it uses Canadian technology.

Hon. Mr. Snow: We funded this very heavily in Mississauga as a demonstration project and in Ottawa too. The costs qualify for subsidy.

The Toronto Transit Commission has a different system which it uses on a number of buses. They can tell where every bus is and how many passengers are on it. There are emergency alarms so that the driver can send a signal to the Downsview garage and the police can be notified. They know exactly where the bus is and whether it is running late.

Mr. Samis: Did you allow your GO bus drivers to decorate their buses in the yuletide season?

Hon. Mr. Snow: I have not heard whether they did or did not. I would not have interfered with them if they had wanted to.

Mr. Samis: You would not interfere?

Hon. Mr. Snow: Not if they wanted to hang up a little Santa Claus. I am not against Santa Claus.

Mr. Samis: And mistletoe?

Hon. Mr. Snow: Mistletoe above every door.

Mr. Samis: Let them be selective.

Hon. Mr. Snow: Mistletoe is green and that would fit in with our colour scheme. We could make mistletoe on every bus a policy, but I will not be responsible for the results.

Mr. Samis: Put up a little sign that you discharge yourself of any responsibility.

I have a final question on electrification. Is there any imminent possibility of it? Is it a question of cost, or are we talking about something that is way downstream now in view of the economic situation?

Hon. Mr. Snow: There is a real interest. When we first started talking about it, back before my time in the ministry, a study had been done on SuperGO, or whatever the project to electrify GO stations was called. At that time, when diesel fuel was 20 cents a gallon, economically it did not make sense to undertake the capital cost involved. But now that diesel fuel \$1.25 a gallon, or whatever it is—

Mr. Samis: And there is a surplus of energy.

Hon. Mr. Snow: —and there is ample electricity, it makes a lot more sense. The railroads are becoming much more interested in it now, whereas previously they had shown no interest at all. There is a task force working on it now, which includes Ontario Hydro, the Ministry of Transportation and Communications and GO. Dave Hobbs, assistant deputy minister, is chairman of that group. As I said the other night, they are in the process of deciding upon the prime consultant who will be carrying out the engineering design studies.

Mr. Samis: When is the report due?

Hon. Mr. Snow: We have called for proposals from the consultants. Mr. Hobbs tells me that the consultants should be finally selected by the end of February or first of March. They have indicated that their studies will probably take a year and a half to two years. Basically, the consultants are consortiums of consultants who have submitted proposals. I understand that most of the major Canadian consultants have brought in with their group an offshore consultant from Europe or Great Britain, someone who has had experience with electrifying railways over there, because this is really new to Canada and the United States.

Mr. Samis: If they were to recommend a particular mode, and if you were to get the financial resources to implement it, what kind of time frame are we talking about to install such a line?

Hon. Mr. Snow: It is pretty hard to say that. We are really looking at the Lakeshore line from Oakville to Pickering, or Burlington to Oshawa, or whatever it might end up. I think everyone recognizes that is the high-traffic line, so that is the one where we see electrification having the greatest cost benefits. I do not think I could give you a date, certainly not until we see what the costs and the problems are going to be. But we think it has great potential in the long term.

12:10 p.m.

Mr. G. I. Miller: Is propane being utilized as an alternative fuel on the buses? A lot of school buses are using it, and the minister is using it in his car. Is anything being done along those lines?

Hon. Mr. Snow: I do not think propane can be used in a regular gasoline engine. We are making the changeover with school buses, but the transit buses are all diesel. I do not think we have given any consideration to changing them over to propane.

However, we are doing work on hydrogen. Mr. Campbell might come up and explain what is being done. The Urban Transportation Development Corporation is involved in a program of hydrogen research, which is being funded by the Ministries of Energy and Transportation and Communications. As I understand it, that proposal is an attempt to convert a diesel engine bus and possibly even a diesel locomotive so that they could operate on hydrogen.

Mr. G. I. Miller: Is the Toronto Area Transit Operating Authority giving any thought to that?

Hon. Mr. Snow: Who knows? The research has not been done on it yet. We may find that it is practical five years down the line. I think a contract in the \$6-million range has been entered into for the research on that. Mr. Campbell, would you bring us up to date?

Mr. Campbell: The Ministry of Energy has a contract with UTDC to develop bus hydrogen automotive power and also to look for railway application. Appropriately, this is with the concurrence of TATO A.

I believe the work will apply to the buses in Kingston and will cover the conversion of the diesel engines to hydrogen and also the provision of the electrolyzer to provide the hydrogen gas for propulsion. The idea is ultimately to go to trains. I think maybe Mr. Leach could add to this because of the relationship between TATO A and UTDC.

Mr. Leach: That covers it pretty well. It is still very much in the demonstration stage.

Hon. Mr. Snow: It is just a beginning. The contract was just entered into between the Ministry of Energy and UTDC about three months ago. They are just getting geared up to do it now. I do not think there is any possibility of a diesel engine being converted to propane. They are not compatible.

Mr. Mancini: My information is that TATO A staff has grown to 300 from 90 since 1978 for the reason that previously contracted-out work is now being done under the auspices of the authority. I have always been under the impression that it is cheaper in many cases to contract out much of your work and I wonder why the option to increase the staff was taken instead.

Hon. Mr. Snow: A great number of those increased staff are ticket takers on the staff at Union Station and all the Lakeshore stations. Previously those employees were employees of CNR. When GO Transit first started, CN supplied the staff to man the stations. As we grew and as the operation became permanent rather than an experiment, it became obvious there were advantages in GO Transit having control over its own employees.

Rather than receiving a letter of complaint from a rider about how rudely he was dealt with by an employee, and having to go back through CNR and its disciplinary action to get to that employee, we made the decision a couple of years ago. We amended the contract with CN and this was phased in so the CN employees could be placed with GO. All those employees are now employees of GO.

The other major change was the bus garage. When we got in the bus business, we started off by buying about 10 buses. Those buses were serviced by Gray Coach or TTC for us. The bus system kept growing. I guess we now have about 200 buses.

Mr. Leach: It is 225.

Hon. Mr. Snow: Gray Coach's service building is on the Lakeshore. A great many of these buses now do not even come downtown; they terminate at the terminuses. The time came when we had to build our own bus garage. It was built north of the Downsview Airport after studies were done to try to cut down as much dead travel time as possible in getting the buses to and from the service areas.

When we built that garage, we had about 150 buses and now the number has grown to 225. As that grew, we had to have more staff—cleaners to clean the buses after they come in, washers, mechanics, maintenance people of all types. That is the reason for the growth in staff.

Mr. Mancini: I noticed earlier you were talking about the 60 single-level passenger coaches on lease to the Massachusetts Bay Transportation Authority. I cannot recall—or maybe I was not here when it was being discussed—the type of financial arrangement you have for that lease. Was that discussed earlier?

Hon. Mr. Snow: No, not in specifics. The cars are leased to the Boston authority for so much per day. What is the price?

Mr. Leach: The original lease was \$45 a day. The revised lease for the extension on the ones still there is \$75 a day.

Mr. Mancini: What is one of these coaches worth?

Mr. Leach: They were \$125,000 brand new when we bought them. To replace them now would cost about \$500,000.

Mr. Mancini: That being the case, how could you afford to lease one out at \$45 a day?

Mr. Leach: That is \$45 a day US on a long-term, two-year contract for 60 cars. That would compare with what we would lease cars for ourselves. We did lease some cars originally from Chicago in that price range.

Mr. Mancini: Using your figures, what would you get per car at the end of the two-year lease?

Hon. Mr. Snow: You multiply 365 times \$45 times two. If I had my little computer here, I would work it out for you.

Mr. Gilbert: According to what I have here, it would be \$32,000.

Mr. Leach: The option was to store them here in Toronto and get no revenue at all.

Mr. Parsons: The option, as Mr. Leach said, apart from the other thing, was that there are very few people in the market to rent cars on a short-term basis. Boston is now having to get them back to us by April and it does not have an alternative. When those cars come back to us, they are not going to have service on certain lines. So they have themselves in quite a pickle.

Mr. Mancini: What did those figures amount to again?

Mr. Gilbert: I get \$32,850.

Mr. Leach: That is 365 days times \$45.

Mr. Gilbert: Times two.

Mr. Leach: That is right. It would be \$32,850.

Mr. Mancini: So it would be \$16,000 per year approximately.

Mr. Leach: Yes, per car.

Mr. Mancini: It is not a lot of money when you consider the value of the cars.

Hon. Mr. Snow: Remember those cars are 15 years old.

Mr. Mancini: There is the valid point made that the cars would be sitting idle.

12:20 p.m.

Hon. Mr. Snow: Some of those cars were not needed because of the delays in the Milton line. Once the bilevels were all delivered and put into service, we had surplus single-level cars. Boston wanted them and the lease arrangement was entered into to get some revenue out of the cars while we were waiting for the need to develop up here.

Mr. Mancini: Unfortunately, in most large American cities the equipment in the subway service and rail transportation service receives a lot of abuse. In what condition do you expect these cars to be returned to you? If they are completely sprayed with graffiti and the seats are torn, who is going to repair that? In what condition do you expect to receive these cars?

Mr. Parsons: The contract calls for the cars to be completely upgraded at the expense of the lessee. The cars are inspected before they are delivered from Boston back to us. They are

inspected again here. It is agreed upon with Boston what work has to be done. When the work is done, they are billed and they have paid.

Mr. Mancini: That is firm in the contract?

Mr. Parsons: It is firm in the contract.

Mr. Mancini: I was reading here where you obtained 12 used buses from Quebec. What type of buses were they and what did you pay for them?

Hon. Mr. Snow: Those buses were bought because of our need for buses. We ordered 25 Motor Coach Industries buses from Winnipeg about two and a half years ago, which are just being delivered now. That is how much lead time there is on ordering that MCI highway-type bus.

With the growth in ridership, we had to have buses. This bus company in Montreal was using its buses for airport service and it lost its contract. These buses from Murray Hill Limousine Service were available and in excellent condition. We could not get delivery of new buses so we bought them. How much was the price?

Mr. Leach: About \$65,000 apiece.

Mr. Mancini: What would they cost brand new if you ordered them from the supplier?

Hon. Mr. Snow: About \$180,000 now?

Mr. Leach: The MCIs we just ordered were \$171,000.

Mr. Mancini: These are similar buses?

Mr. Leach: Yes.

Mr. Mancini: And how old were these buses from Montreal?

Mr. Leach: They varied in age from seven to 10 years.

Mr. Mancini: Was the \$65,000 a market value assessment of the buses?

Mr. Leach: Yes.

Mr. Mancini: Was that done by your internal staff or did you have outside consultants do that for you?

Mr. Leach: It was done internally.

Mr. Mancini: Were you able to get any kind of comparison to see if your internal figures were correct? Did you feel pretty confident with those figures?

Mr. Leach: We know what the market price is for buses. Buses are in short demand all through North America.

Hon. Mr. Snow: A few years ago, there used to be a used bus market in the United States. A

lot of Canadian operators, especially the smaller operators who did not want to go out and buy brand new equipment, would go to the US and buy buses down there at very reasonable prices. That is impossible now. There is a shortage of equipment in the United States and you cannot buy a used bus for love nor money down there. The US people are coming up here competing to buy used buses up here if any are for sale. So it is a short market.

After the assessment by staff, they felt this was the proper purchase; they were worth the money. I think they are doing a good service. They are good-looking buses. I see them on the highway. You can tell them. We did not even have to repaint them because Murray Hill used the green, only it was a lighter green. If you see a bus on the road that has a slightly lighter tone of green than the others, that is one of the Murray Hill buses.

Mr. Mancini: I take it there was not much mechanical work needed to be done after they were delivered.

Mr. Parsons: No. They are all subject to safety inspections on a regular basis and they are on the road.

Mr. Mancini: We were talking earlier, Mr. Minister, about the fees charged to passengers using the GO service and the projected increase in the fees and several different things to do with the finances of the GO service. My information is that for the 1979-80 year there was an operating loss of \$8.7 million. How is that money made up?

Hon. Mr. Snow: Operating loss for what?

Mr. Mancini: My figures indicate that the total revenue from operations was \$24.5 million. The operating expenses were \$56.4 million. The loss from the operation, therefore, equals \$31.8 million, of which \$23.1 million was covered by an operating subsidy from the province, leaving a shortfall of \$8.7 million.

Mr. Parsons: Mr. Chairman, I raised that issue with the auditor when they presented us with the audited statement. The province provides every dollar of shortfall in our operation in an approved budget through the Legislature. That report cites that sum of money. When I asked where it came from, the answer was that it was an item they had brought forward for depreciation of equipment.

It really is not an operating loss in the sense that there is money outstanding that is not being funded. In the next financial statement the

report will not be in that fashion. They have agreed it is an inappropriate way to report in such a financial statement.

Hon. Mr. Snow: They should show it as depreciation.

Mr. Parsons: Yes. It will not be appearing again in that fashion because it truly is not an operating loss in the sense that we took in \$9 and we spent \$10.

Mr. Mancini: So there is really no cash shortfall.

Mr. Parsons: There is no cash shortfall.

Mr. Mancini: On that same thing, does the Provincial Auditor review your operations and make his recommendations in his annual report?

Mr. Parsons: Yes, sir.

Mr. Mancini: Did he have any recommendations about that?

Mr. Parsons: The Provincial Auditor and Touche Ross, our auditor, meet on a frequent basis and go over that and they have agreed with what I just told you.

Mr. Mancini: Those are all the questions I have, Mr. Chairman.

Mr. Chairman: Any further questions?

Gentlemen, shall vote 2605 in its entirety, including supplementaries, carry?

Vote 2605 agreed to.

Mr. Chairman: It now being 12:28, I would—

Hon. Mr. Snow: Before you recess, Mr. Chairman, I would just like to say that this is the first year Mr. Parsons has been here as chairman of TATO. When did you take over?

Mr. Parsons: In July last year.

Hon. Mr. Snow: We did our estimates in May last year and Mr. McNab was the chairman at that time. Mr. Parsons took over as chairman. I have to say to the committee he is doing an excellent job, taking a tremendous interest in the authority. With all the expansion, it is a busy post.

I would like to compliment him and thank him for coming here today, along with Mr. Leach, to assist me with these estimates.

Mr. G. I. Miller: Mr. Chairman, I am interested in what is going on at Spadina with the GO trains. What is the construction taking place there? Is that storage or yards?

Hon. Mr. Snow: Where is this?

Mr. G. I. Miller: As you come past Spadina on Front Street.

Hon. Mr. Snow: That is our storage yard where the trains sit during the day.

Mr. G. I. Miller: There has been a lot of construction going on there.

Hon. Mr. Snow: That is the tunnel project. That is the Bathurst Street grade separation; we are putting a tunnel in there. It is all part of our expansion, so one train can go under another train. It will speed up getting into Union Station.

That became necessary when we started bringing in these other lines, the Milton line and what not. With all the trains converging, there was a real bottleneck at that location. That represents part of the \$65 million or so we have been spending on the whole Union Station-Bathurst Street complex. Regarding the trains that are sitting there, we made arrangements with the railways to have a storage yard at that point, so when the trains come in to Union Station in the morning, rather than going back out to the Mimico yards they are parked there and are ready for the rush hour at night.

Mr. G. I. Miller: When is that going to be completed?

Hon. Mr. Snow: I stated earlier in my discussion there is another two-year's work before it is totally completed.

Mr. Chairman: On behalf of the committee, I would like to personally thank Mr. Parsons and Mr. Leach for their participation here this morning. It has been most informative and we thank you gentlemen.

The committee recessed at 12:30 p.m.

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Ontario

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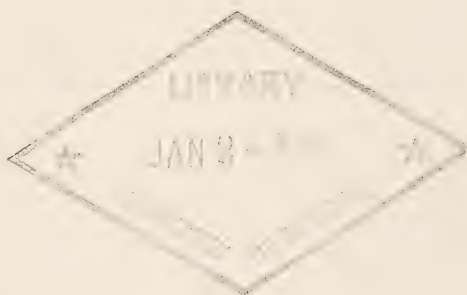
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Legislature of Ontario Debates

Official Report (Hansard)

Standing Committee on Regulations and Other Statutory Instruments

Estimates, Ministry of Transportation and Communications



First Session, Thirty-Second Parliament

Thursday, December 17, 1981

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Thursday, December 17, 1981

The committee resumed at 8:05 p.m. in committee room No. 1.

ESTIMATES, MINISTRY OF TRANSPORTATION AND COMMUNICATIONS

(concluded)

Mr. Chairman: I see a quorum.

Gentlemen, we will be discussing the Urban Transportation Development Corporation this evening, and as many other items on the agenda as we can possibly get through. I would ask for some input from the committee members as to how much time they think we should spend on UTDC. We have not touched such very substantial expenditure items as the provincial roads program and municipal roads program.

Mr. Mancini: Mr. Chairman, when we complete our two and a half hours this evening, under normal conditions how much time would we have had left for these estimates? I do not think we are going to have our 12 hours in when we are finished tonight, are we?

Mr. Chairman: Two hours.

Mr. Mancini: It does not look as if we are going to get those two hours in.

Mr. Chairman: No, I do not think so. I cannot see any way we can possibly get the two hours in and report to the House in time.

Mr. G. I. Miller: Are we going to be sitting next week, Mr. Chairman?

Mr. Chairman: Not to my knowledge.

Mr. Samis: Why don't we play it by ear, Mr. Chairman? We can start out with UTDC and see how it goes.

Mr. G. I. Miller: Bud Gregory was just suggesting that we not go too far away from the phone because we might have to be here.

Mr. Chairman: I think we should come to some consensus as to what we are going to do as the evening progresses.

Mr. Mancini: In the circumstances I have to agree with Mr. Samis. I just think we should go into this issue and if we finish up early we will discuss other things. I think the real problem is

that we are not going to be able to get all our allocated time. The problem is not what we want to do tonight.

Mr. Chairman: No, I agree. But that was known to committee members on Monday evening.

Mr. Mancini: Yes. That is right.

Mr. Chairman: I am proposing that when our time allocation this evening is finished we put the votes to the committee for the report.

Mr. Mancini: Sure. That is fine, Mr. Chairman. Unless you and Mr. Miller want to come back next week.

Mr. Chairman: Thank you, Mr. Mancini.

We have Mr. Foley with us this evening. He is the president of the UTDC. We welcome you. We will proceed with questioning on UTDC. Mr. Mancini.

Mr. Samis: Mr. Chairman, I thought we agreed we delay the minister's reply to my remarks on the UTDC.

Mr. Chairman: Pardon me, you are quite right, Mr. Samis. We are going to get the minister's comments on UTDC before we start.

Mr. Samis: Right. You would not want to miss that.

Hon. Mr. Snow: We decided this morning that I would not respond to the remarks about UTDC because we would do that this evening. But if you remember in the early stages of the business this morning I announced the arrival of my new granddaughter.

Interjections.

Hon. Mr. Snow: Does anyone back there want one of these? There are no cigar smokers back there.

Interjections.

Hon. Mr. Snow: But I wanted to fulfil that commitment.

Mr. Mancini wanted to table a document tonight too and I would like to get that out of the way.

Mr. Mancini: Mr. Chairman, you may recall that on Tuesday evening, when you and I were

debating a particular issue, I thought this document was important and I wanted to it to be on the record.

It is a document on the letterhead of the Ministry of the Environment. It is dated May 26, 1981, and it is a memorandum to Gary Lahey, environment planner, environmental assessment section, from V. W. Rudik, assistant director, environmental approvals branch. It is re Highway 404, work in progress north and south of Wilcox Lake Road. It is one paragraph and I would like to read it, Mr. Chairman.

"I discussed with the Deputy Minister, Mr. Graham Scott, your memorandum to file dated May 15, 1981, on the above topic. By way of clarification, your reference to Mr. Chamberlain's statement, and I quote, 'that the work was being carried out according to a deputy minister's agreement' is not correct. Mr. Scott indicated that he had been orally advised by the Deputy Minister of MTC that the contract would be awarded and that they would likely proceed as they saw a need to get the work under way without further delay. Mr. Scott advised that this work should not proceed until the requirements of the Environmental Assessment Act had been met. Indeed, our deputy advised the deputy of MTC that to proceed otherwise would be at their own risk."

8:10 p.m.

Mr. Gilbert: Mr. Chairman, I would like to comment on that. Going back to our discussion the other night, I thought this was going to be a memo to our minister or to myself on this. This is an internal Ministry of the Environment memo.

I have to repeat what I said the other night. In fact, I have the statement the Premier (Mr. Davis) made on May 27, 1981. I could read the whole thing into the record, but the one part I should read in, because I made reference to it the other night, is:

"The road constituted a major promise to the citizens in the area and any delay beyond the spring would cause a further loss of a year in the project. The ending of Highway 404 at Gormley is both inefficient and hazardous from the point of view of traffic safety.

"In the light of these considerations and the belief of the ministry that the major environmental concerns were fully covered by their conditions recommended by the government review, MTC made their decision to proceed. The deputy minister of MTC advised the Deputy Minister of the Environment that MTC would proceed with construction. The Deputy

Minister of the Environment advised that this would be improper and outside the Environmental Assessment Act and that MTC would be proceeding at its own risk."

All I am saying is that is what I was making reference to the other night. Regardless of what was said in the memo or anything else, I readily acknowledge that my colleague Mr. Scott has talked to me about this and that I told him considering all of the risks we were going to proceed. So I guess all I am saying is that all this—

Hon. Mr. Snow: Everything that is said in here, Mr. Deputy, was said in the Premier's statement anyway.

Mr. Gilbert: That is right.

Hon. Mr. Snow: So this is really insignificant.

Mr. Mancini: I would not say it is insignificant, but I think we have discussed the matter at length.

Mr. Gilbert: It confirms what was in the Premier's statement.

Hon. Mr. Snow: The Premier's statement said everything that was in that letter. There was nothing new.

Mr. Mancini: I am not sure we can say there was nothing new; I do not know if we can go that far. But I think we have discussed the matter at length and I consider the matter closed.

Mr. Chairman: At considerable length, Mr. Mancini.

Mr. Mancini: Yes, let us go on to a new subject.

Hon. Mr. Snow: We still made the right decision.

Mr. Chairman: On to UTDC now.

Mr. Mancini: Carried.

Hon. Mr. Snow: Mr. Chairman, when I was responding to the comments of the member for Cornwall (Mr. Samis) in the opening statements today we agreed I should not respond to the UTDC matters because we would be meeting here tonight in a special session. At least we were going to consider UTDC matters before we went on to consider the other \$1 billion worth of ministry projects.

One thing Mr. Samis wanted was information regarding the waterfront project, as it is referred to. I like to think of it more as one of the next major thrusts that is needed for public transportation in the Metropolitan Toronto area. It has been referred to in many different ways, but I see it as a part of a major system that

is required east and west at the lakeshore. I am not saying a major system is not required east and west at Eglinton, Finch, Sheppard, or wherever TTC may decide at the north end of Metropolitan Toronto.

I read the articles in the Toronto Star over the weekend. As I said earlier today I thought those articles were very well researched and well written, with the exception of the fact they had the articulated buses being made in Quebec rather than in Ontario.

Mr. Mancini: I can see where that would bother you.

Hon. Mr. Snow: That did bother me a little bit.

There have to be decisions made in Metropolitan Toronto in the reasonably near future with regard to public transportation. Metropolitan Toronto has the finest public transportation system in North America. I think we all recognize that. It is a fact. We have people who come from all over North America and the world to see the TTC system and the GO Transit system.

Mr. Mancini: Which is the conventional system being used all over the world and in North America.

Mr. Samis: You fellows always say that: the finest in the world. Who else agrees with you outside of Ontario? I know the Premier uses that statement. Do people in Montreal or other places agree with you?

Hon. Mr. Snow: Yes, they do. When I travel around, when I go to meetings I run into people from Los Angeles, from Houston—

Mr. Samis: Los Angeles is a desert in terms of public transit.

Mr. Mancini: People are trying to be friendly.

Hon. Mr. Snow: People say, "If we only had a public transportation system in our city like you have in Toronto—"

Interjection.

Hon. Mr. Snow: I am not trying to take any credit for that. The TTC has been in business for a lot longer—

Mr. Samis: No, I am not assuming you are. I am saying you make that blanket statement as if everyone agrees with you. I would like to see people who visit the Metro in Montreal or the LRT in Edmonton come back and say, "You have the greatest system in Toronto."

Hon. Mr. Snow: I have never found anyone who disagreed. Have you found anyone who disagrees?

Mr. Samis: How do you find them? In Canada you would want to take them to Montreal, Toronto, Edmonton and Vancouver, I assume, and then ask them.

Mr. Mancini: Why don't you take us to Tokyo so we could see their system?

Mr. Gilbert: At conferences with the transit authorities, Mr. Samis—

Mr. Samis: Which transit authorities?

Mr. Gilbert: All of those various transit authorities that come to meetings of the American Public Transit Association. They do not make any secret of the fact that the TTC, the total transportation system—they are not only talking about the TTC, but the GO commuter rail, the whole transportation system in Metro Toronto—

Hon. Mr. Snow: I have talked to people from Washington, from New York—

Mr. Mancini: What about Tokyo?

Mr. Samis: You are talking about disaster areas though.

Hon. Mr. Snow: I have been to Tokyo.

Mr. Samis: If you are talking about Houston, Los Angeles and New York, you are talking about—

Mr. Gilbert: No, but Houston is very bad, as you know. They all run the wrong way.

Mr. Samis: Yes. LA is not exactly a paradise for public transportation; New York is a disaster area.

Mr. Gilbert: You are talking about very large centres in the United States and I think all that does is confirm, Mr. Samis, that the TTC is—

Mr. Samis: I would like to call up the president of the Montreal transit facility and ask him what people tell him when they go to see it and I would like to call up the president of the Edmonton transit authority and ask him what people tell them when they see his, to compare it. All we hear about is what they say in Toronto.

Mr. Gilbert: Mr. Samis, what we are referring to is the total transportation system in Metro Toronto—TTC, everything co-ordinated.

Mr. Samis: I understand.

Hon. Mr. Snow: In six and a quarter years as minister, I have met a lot of people in transportation from around the world and everyone I run into talks about our TTC and our programs here—

Mr. Samis: They can praise GO; they can probably praise the TTC; but they can never praise the bus terminal, for example. That is

pathetic. You go to Montreal and compare these two cities. They will never rave about this as the finest system in terms of bus transit.

Interjection.

Hon. Mr. Snow: I will stand by that statement any time.

Mr. Samis: All I am asking is for you to document it, not stand by it.

Hon. Mr. Snow: When I talk to people from Washington and New York they talk about the cleanliness and the maintenance of our stations. When I went to the APTA convention—

Mr. Samis: Did you not invite Remo and I to that, by the way? We could learn something.

Mr. Mancini: I want to go to Tokyo.

Hon. Mr. Snow: Probably you could have. I realize now I should have invited you and I apologize very much—

Mr. Mancini: Tokyo is where they have the real system.

8:20 p.m.

Hon. Mr. Snow: I should have had you there. If we had had a jet, we could have gone.

Mr. Samis: Do they have a landing strip big enough for it? Where was it, Chicago?

Hon. Mr. Snow: No, the federal minister—

Mr. Mancini: They have a big airport in Tokyo. There is no problem.

Hon. Mr. Snow: —arrived in his Jet Star and I arrived in our little King Air. But I got there first and—who was it? Hon. Mr. Lumley, the federal member from Cornwall, I am sorry—

Mr. Samis: Yes, that is right. That is power.

Hon. Mr. Snow: —was there with his Jet Star. Customs was all shaken up when we arrived with our little King Air. They were expecting a Jet Star and this was the Canadian delegation.

Mr. Samis: The national delegation? You are just the province.

Hon. Mr. Snow: They had the wrong delegation. I want to tell you as a Canadian I was never as proud to go any place in my life as when I walked into that McCormick Centre, a huge convention centre in Chicago, and there was the public transportation exposition of North America. If they had taken out the Canadian content of that exhibition, the rest of it would have been seats and turn signals and tires and motor overhauls.

Mr. Samis: You are not getting parochial when you say Canadian, because if I am from Quebec or the Maritimes—

Hon. Mr. Snow: No, I am talking Canadian.

Mr. Samis: —there are some people in Ontario who think Ontario is Canada.

Hon. Mr. Snow: We walked in there and one of the first things I saw was a great big green doubledecker GO car.

Right behind it was a Via Rail LRC—light, rapid, comfortable—car. Our articulated bus is being developed—

Mr. Samis: That is what I am getting at. Was it Canadian or from Ontario? You are giving—

Hon. Mr. Snow: Canadian.

Mr. Samis: So you would talk about the rubber-tired subway in Montreal?

Hon. Mr. Snow: No, the rubber-tired subway was not there.

Mr. Samis: The light rail transit in Edmonton?

Hon. Mr. Snow: I am talking about what was at the convention.

Mr. Samis: We are talking Canadian, I think.

Hon. Mr. Snow: I will tell you what was there. A GO train car that was at least three years old and had been running on the Lakeshore line was taken out of service and shipped to Chicago to be on display in the Hawker Siddeley display. It was naturally cleaned up and vacuumed, but nothing was done to it. The people from the United States authorities would not believe that car had been in service in GO Transit for three years and was in that condition.

Mr. Samis: Let us take doubledecker cars. Those are not unique to Toronto. They have them in Montreal. It is a private service; Canadian Pacific. They are not nearly as attractive as the GO trains.

Mr. Kerrio: They have a lot of things in Montreal we do not have in—

Hon. Mr. Snow: They do not have a car like we have.

Mr. Samis: Not the same, comparable quality.

Hon. Mr. Snow: No.

Mr. Samis: But I am just trying to give him a context. Not everything is in Toronto in terms of Canada.

Hon. Mr. Snow: I did not say everything was in Toronto. If you want to represent Montreal, go and represent Montreal.

Mr. Samis: No, you are trying to give the impression this is the only place in Canada that has this technology, whatever it is.

Hon. Mr. Snow: No, I did not do that at all. I said that at the American Public Transit Association convention we had the doubledecker GO car, we had the Bombardier LRC, we had the General Motors articulated bus, we had the Urban Transportation Development Corporation show, we had the Teleride people, we had the Wabco brake display, we had one of the Western Flyer buses there, the Orion bus manufactured by Ontario Bus Industries Inc.

Mr. Samis: We had a lot of good things. I am just making the point they are not all necessarily in Ontario.

Hon. Mr. Snow: But I tell you the main display of equipment at the APTA convention was from Canada.

Mr. Mancini: When was this convention?

Hon. Mr. Snow: October 9.

Mr. Mancini: And you did not take George and me?

Hon. Mr. Snow: No. You did not let me know you wanted to go.

Mr. Kerrio: We do.

Mr. Mancini: Well, we do.

Hon. Mr. Snow: I do not know where it is going to be next year, but—

Mr. Samis: All I know is my federal counterpart makes a point of taking his opposition critics to most conferences. He stressed that to me. He even takes the New Democratic Party critic to three conferences in Mexico City. Now that is quite something for a Liberal. Remo Mancini might not be prepared to go that far.

Mr. Mancini: I would not go that far.

Hon. Mr. Snow: Yes, George, I would not mind taking you but Remo Mancini might get mean.

Mr. Samis: Yes, but I am under a cloud these days, be careful. Do not give me any compliments, I do not need any. It would get me in more trouble.

Hon. Mr. Snow: In any case, as I say, as a Canadian I had to feel very proud and I am sure Mr. Lumley, your federal counterpart, was very proud. I was not able to stay; I had a meeting in Thunder Bay the next day and I flew from Chicago to Thunder Bay. I was not able to hear Mr. Lumley's speech but I read it later. We certainly had a tremendous display there and

the Americans recognized it. There were a number of pieces of European equipment on display there.

Mr. Kerrio: Are you planning a UTDC experimental track at Nanticoke and Townsend?

Mr. Chairman: I have to tell you this now. I would like five minutes now or two hours during the concurrence. That is an offer you should not refuse.

Hon. Mr. Snow: As soon as I am through with UTDC, you will have your five minutes.

Mr. Mancini: I say give him his five minutes now. He has 10 minutes.

Mr. Kerrio: Three minutes.

Mr. Chairman: I think Vince Kerrio would be interested to hear what the minister is saying.

Hon. Mr. Snow: In any case, I do not want to repeat it again. Mr. Samis has questioned my statement that we have the finest systems and the finest technology here. I will defend that any time and debate it with him.

Mr. Samis: All I would ask for is documentation of the people who are attesting to that. That is the only—

Hon. Mr. Snow: I will have to start carrying a tape recorder with me.

Mr. Samis: No.

Hon. Mr. Snow: That is not my way of doing business.

I have a great deal of interest in the waterfront project and that is what we started out to talk about. I think an east-west system in Metro at the lake front is necessary when one considers the recent plans approved by the city and by Metro for major redevelopment along the lake front; when one considers the railway lands; when one considers the CN Tower and Ontario Place and the Canadian National Exhibition and the Harbour Castle complex, the Toronto Island airport, the ferry dock and all the things along that lake shore. If there is not some long-range plan made for public transportation in that corridor, we are going to have a great many problems.

I have been told recently by people down there that with the plans being made for the recently approved residential development on the lakeshore decisions have to be made very quickly to reserve corridors and to get at least an option for some public transportation system along that Toronto waterfront.

Mr. Samis: No argument there.

Hon. Mr. Snow: I do not see it. It has been referred to as the Tinker Toy and what not—

Mr. Samis: That was the mayor of Scarborough.

Hon. Mr. Snow: —and the loop and all sorts of things. I can foresee a system east-west along the lake shore, tying into Union Station—the facilities that have been mentioned—that would continue out through the south end of Scarborough to the eastern extremities of Metro; out westerly following the Hydro right of way up to the Kipling subway station and on up to Toronto International Airport. That is the type of transportation system we have to look to in the future.

I believe this is what the Toronto Transit Commission is looking at. I just want them to consider this lakeshore system as part of the overall system.

I am not against an Eglinton-Finch-Sheppard, east-west system. Certainly that is going to be needed. We have known that for at least the last 10 years, but these are the types of studies and plans the TTC are carrying out. I am convinced they are carrying them out. After all, the TTC have as much or more expertise in transportation than anyone in North America. They are called upon by many other cities as a consulting service.

What we have said as a government is that we will subsidize at 90 per cent the first \$100 million of a waterfront project, a special subsidy for the project, because we feel it is that important.

Mr. Mancini: Those figures have changed. What are you going to do about that?

Hon. Mr. Snow: The figures may have changed. I will get to that. But we said the first \$100 million will be at a 90 per cent subsidy. Any extensions or any other system—if they want to do a Finch-Sheppard-Steeles-Eglinton, whatever it may be—that would be our normal subsidy program at 75 per cent.

We have said we would give the extra subsidy for the first \$100 million of the lakeshore system. That commitment stands. It all depends where the terminuses are as to—

Mr. Mancini: I know what the original project premised; the figures you are talking about now are no longer relevant.

Hon. Mr. Snow: No, they are no longer relevant because we made that commitment in 1978. The figures you are talking about are the \$170 million the TTC put in their forward projection. If you look at the documents the TTC staff put before their commission, they had this as an uncommitted forward projection of the project, possibly to be built in 1984, 1985 or 1986. They took the \$100 million projected

cost and escalated it and came out with \$170 million. Rightfully so. It is still a \$100 million project being built five years from now.

8:30 p.m.

It is the same as if you are going to buy a \$10,000 car today. If you are going to buy it five years from now, you are not going to buy it for \$10,000, it will be \$12,000 or \$13,000 or \$14,000, you know that.

Mr. Mancini: If you make a commitment to build a provincial road or to expand a provincial road from point A to point B I think the commitment is that you are going to have that particular road built. I do not think you would say, "We promised to do it in 1980 but because it will not be done until 1985, we will—"

Hon. Mr. Snow: But that is part of our regular program. We are responsible for provincial roads 100 per cent. Naturally the costs go up. Every road we plan we say we are going to build it this year at \$10 million. We know if we defer it until next year it is going to cost us \$11 million or \$12 million. If we defer it five years down the road it is going to cost \$15 million.

Mr. Kerrio: But you always have the ad valorem tax there.

Hon. Mr. Snow: Yes. I wish that ad valorem tax was designated to the Ministry of Transportation and Communications, but that is not the case.

Mr. Kerrio: You had better talk to them and get it over there.

Mr. Mancini: We are making it from the widows and the orphans.

Mr. Brandt: That is going to return to the elderly, Vince; you know that. We are making programs available to those who cannot offset those increased energy prices that were settled at the federal level.

Mr. Samis: Sixty-forty-twenty, but surely the point is when you make a \$90 million guarantee that is based on the intermediate-capacity transit system—

Hon. Mr. Snow: The \$90 million contribution, the 90 per cent—

Mr. Mancini: You gave everyone the impression that was what the project was going to cost and that was what you were going to do. Now things have changed.

Hon. Mr. Snow: No, we have said the first \$100 million of that project—do not go away, Vince.

Mr. Kerrio: No, I will be right back, I want to see if anyone put any vodka in the apple juice.

Mr. Chairman: Vince, would you mind coming up to the microphone?

Interjection.

Hon. Mr. Snow: We said that first \$100 million would be subsidized at 90 per cent. Obviously any other extension to that will fall into our normal municipal transit program, which qualifies for 75 per cent.

Mr. Samis: All right.

Hon. Mr. Snow: If they decide to build it from Hamilton to Oshawa, that is the way it is.

Mr. Samis: But the point is, if it is not ICTS, there are no guarantees at this stage. Not that it is blanket, but there are no guarantees.

Hon. Mr. Snow: The \$100 million is a Board of Industrial Leadership and Development commitment under BILD funding. The Treasurer (Mr. F. S. Miller) has told me he has committed \$125 million to assist us with our major road program. Anything beyond that is out of our normal program.

Mr. Samis: Yes, but I am not talking beyond, I am just saying the commitment is in terms of ICTS along the lake shore, is it not?

Hon. Mr. Snow: Right.

Mr. Samis: If they offer something else, there are no commitments. There would probably something there, but no commitment.

Hon. Mr. Snow: If they opt for something else, our normal program would apply, which is 75 per cent funding.

Mr. Samis: Right.

Hon. Mr. Snow: If you talked to any other city in any other province in Canada, they would be happy to have the Ontario transit program, because they do not have it—

Mr. Samis: I am not trying to present it as 90 per cent versus zero. Obviously it is not. There are options there.

Hon. Mr. Snow: It is 90 per cent for the first \$100 million for ICTS and that is conditional upon ICTS technology. If it is some other technology then it will obviously qualify for the 75 per cent subsidy, unless I get my bill approved tomorrow morning in the House—

Mr. Samis: Are you expecting problems?

Hon. Mr. Snow: —and if they decide to have

electric trolley buses, then it would be a 90 per cent subsidy for electric trolley buses because that is a special program.

There is no argument there. The \$100 million, 90 per cent of commitment is for ICTS technology.

Mr. Samis: Fair enough.

Hon. Mr. Snow: Now, we get down to Hamilton. Hamilton is an interesting place these days. We made the offer to Hamilton of a system at 90 per cent funding and Hamilton welcomed our proposal with open arms and made a very strong commitment. I met with the mayor, the council, the regional chairman, the regional council, the transit committee—

Mr. Samis: That was the former mayor, was it not?

Hon. Mr. Snow: —and they passed resolutions asking us for funding and for a detailed study.

Mr. Samis: What was his name?

Mr. Kerrio: You actually should have got the salesman who sold the Candu reactors and then you might have got somewhere.

Hon. Mr. Snow: He did not do very well either. But in any case we carried out the study. Hamilton have voted against the system.

Mr. Mancini: They voted against the improved transit system.

Hon. Mr. Snow: That is their prerogative.

Mr. Mancini: That is their bone of contention, Mr. Minister, that you have a system and that you are only willing to help these municipalities if they take your system.

Hon. Mr. Snow: No, no, Mr. Mancini, that is a total misrepresentation. That is almost an untruth, but I do not want to get unparliamentary. I do not want the chairman to name me.

Mr. Kerrio: You have had enough trouble with the law.

Hon. Mr. Snow: Yes, and I paid my fine, too. I was going to bring a photostatic copy of my receipt just to prove it to you grand fellows, but I did not bring it with me today. I can table that at our meeting tomorrow morning, if you want.

Mr. Mancini: Why won't you give Hamilton the \$111 million? That is the question.

Hon. Mr. Snow: We will fund Hamilton's transit system under our normal program, 75 per cent. If they want to put in trolley buses, we will fund them 90 per cent.

Mr. Mancini: On that pet project, you are willing to pick up the tab.

Hon. Mr. Snow: That is absolutely right. If they had selected the ICTS project, as a special incentive we had offered 90 per cent funding.

Mr. Samis: I get the impression we are all over the place. Would it make any sense if we were to divide UTDC into four topics, Hamilton, lakeshore project, Kingston, and UTDC in general, and spend a certain amount of time on each one of those?

Hon. Mr. Snow: We have been on the lakeshore project.

Mr. Samis: But we have been scattering our attention. Why don't we divide it into blocks and spend time on those?

Mr. Chairman: I think the minister is trying to reply to your questions in the order in which they were asked.

Hon. Mr. Snow: I have been replying in the order you asked the questions. I wrote them down; I was not going back and forth. The waterfront project, I have covered that. I think I have covered Hamilton.

Mr. Samis: Let us make the supreme sacrifice. Let us shut up and let him go through his thing. Then we can go back to them individually, okay?

Mr. Chairman: Fine.

Hon. Mr. Snow: One of your questions was why Hamilton was chosen. I remember very well the day I made that speech in Kingston at the opening of the UTDC centre, in which we made the same offer to Hamilton and Toronto. Hamilton, as I have said, welcomed it and enthusiastically passed the resolution. Hamilton was looked upon, second only to Toronto, as the most appropriate major city for this type of technology. They had a regional transit system.

If you want to consider regional governments, the region of Niagara, for example, does not have a regional transit system. They have a St. Catharines transit authority and they have a Niagara Falls transit authority. Metropolitan Toronto has a regional transit authority, Ottawa has a regional transit authority and Hamilton-Wentworth has a regional transit authority. In my region of Halton we have Burlington, Oakville, Malton and Halton Hills. Where I live, up in the farms, we do not have any system.

Hamilton was chosen as probably the second largest regional system in Ontario, the major industrial city. It has problems with transportation from the half of the city that is on top of the escarpment to the half of the city at the bottom of the escarpment. It has the difficulties of transportation links up the escarpment.

Environmentally, this system would not cause another cut in the escarpment. There are many reasons it was chosen. That is the question you asked and I wanted to answer it.

You talked about Vancouver and the \$350 million bond that Ontario has guaranteed for that contract. I guess I could go back and put my contractor's hat on—Vince, you will understand this; some of these other people may not. We all know that when we enter into a public contract to build whatever it is—private sector people trust private sector people; the public people trust no one—

Mr. Samis: Let us stick to the question. Don't give us a sermon. You guys are investing in Suncor.

8:40 p.m.

Hon. Mr. Snow: I never bid on a contract or performed a contract in my 30 years in the construction industry for which I did not have to produce a performance bond to guarantee the performance of the contract. Before I could convince the bonding company that they should bond me, I had to prove to them, without a doubt, that there was no possible way they would ever be called upon to pay anything on that bond.

I had to have my personal guarantee, my wife's, my mother-in-law's, my mother's. I had to pledge the dogs, the cats—everything had to be pledged to United States Fidelity and Guaranty Company before they would write a bond. They took a big risk in 1952 and bonded me for a \$206,000 contract and they bonded me all the way through ever since then. But you have to have a bond.

So, in Vancouver, when Mr. Foley entered into a contract for a \$650 million transit system, we did not expect to enter into such a contract without a bond. It was only normal that they would want a performance bond; it was only normal that the bonding company would want a province of Ontario guarantee. After all, I am the single shareholder of UTDC, the only one. I hold all the shares other than eight qualifying shares which are held by the directors. I hold all the rest of the shares on behalf of her majesty, Queen Elizabeth II, in the right of Ontario.

If I was a shareholder of Vince Kerrio Plumbing and Heating, or whatever, and Snow Construction Limited, say, I would expect, as the shareholder, to have to sign a personal guarantee for that bond. You know that, Vince.

As the shareholder for UTDC, entering into a \$650 million contract with a \$300 million bond,

it was only normal that the bonding company would want a guarantee from the shareholder. That is all they got as a normal business practice. The bond has been issued and the contract is under way. Mr. Foley can report to you in more detail as to progress in Vancouver. I have not been out there since we signed the contract.

Mr. Samis talked about selling technology. We have developed this technology. It is not a technology that just any Tom, Dick or Harry can use to go out and build a system.

We talked in the House yesterday, and at various times, about my good friends at Hawker Siddeley. I know them very well. We do a great deal of business with them. But Hawker Siddeley were not, for instance, the type of company that was in a position to say, "Okay, we will take a licence from UTDC for our technology and we will go out and sell the \$650 million system in Vancouver." That just was not going to work.

If we were going to build a system in Vancouver, we were going to build it—UTDC, or Metro Canada Limited, the subsidiary company. UTDC is the parent and the technology company, Metro Canada Limited is the put-in-place company. That is the way it was bid. If we had not done it that way, we would not have had the Vancouver contract.

We have licensed the technology offshore. We have an agreement with Sumitomo Corporation, in Osaka, Japan, for the marketing of our technology in Japan. They have not sold any systems yet, but I was there a couple of years ago and met with the mayor of Osaka and his officials.

I rode the bullet train from Tokyo down to Osaka; we rode the elevated over the rice paddies and all sorts of things. It was a very interesting experience. They are very interested over there, but it is hard to sell to the Japanese, as you know.

Mr. Samis: I think you are distorting the point I made. My point was why can't the technology sell itself in Ontario without waving all these big carrots in front of the transit people to get them to adopt it? That was my point.

Hon. Mr. Snow: I am not saying there will be any more carrots.

Mr. Samis: You have \$90 million in this city. Hamilton worked out to \$50 million and in Scarborough you wangled one.

Hon. Mr. Snow: For one thing, we keep the promise. We made a commitment in 1978 that

we would fund, at 90 per cent, two projects, the Toronto Lakeshore and the Hamilton project. We will keep that commitment.

We have been pretty successful, I think. We have sold almost \$1 billion worth of systems. Consider Scarborough. The Scarborough city council made that decision themselves on a vote of 16 to one to change from the CLRV type of transit to the ICTS. Now you are going to say that it cost more money. Their system was going to cost \$103 million and it is now \$134 million or so. It is more money, but you were comparing apples and oranges.

The CLRV system was built at grade; it had at-grade crossings of their major intersections, which meant that when the streetcars were coming along it was like a railroad track—the signals came down and all traffic had to stop while the streetcar went through. That was eventually going to have to be grade separated because that situation would not be accepted. That was one of the main reasons Scarborough council members changed their mind; they were not happy with that system.

The ICTS system is all grade-separated. We do not have to go back five or 10 years later and rebuild the system to elevate those lines and grade-separate them. So you are not comparing \$103 million with \$134 million; you are comparing two different systems. One is a mature system, built the way it should be; the other is a system built to save money and is not grade-separated.

Mr. Kerrio: I would like to ask a supplementary.

Mr. Samis: Vince, we will never get through this thing.

Mr. Kerrio: George, this is pretty important.

Mr. Samis: I know it is.

Mr. Kerrio: Mr. Minister, have you had a request from Niagara to do a feasibility study there for that kind of transit system in Niagara Falls? It seems it would be the ideal setup.

Hon. Mr. Snow: The member for Erie (Mr. Haggerty) keeps telling me that we should build an electric transit system, that they had one 100 years ago and should have another one.

Mr. Kerrio: I would agree to extend it to Erie from Niagara.

Mr. Samis: Are you going to balance the budget as well?

Mr. Foley: The Niagara Parks Commission

asked us to evaluate the potential for a distributor system within the park because they have an immense parking problem.

Mr. Kerrio: That is right. It could extend into the city as well.

Mr. Foley: That study is being done, but it is not really a transit system as such, but a distributor system throughout the park.

Mr. Kerrio: Is there a chance you might participate on the same basis, Mr. Minister, and try it in Niagara?

Hon. Mr. Snow: I presume, Vince, if we are dealing with the Niagara Parks Commission, that is the left pocket dealing with the right pocket.

Mr. Kerrio: I am thinking of the city of Niagara Falls. I want to talk to my son, the councillor there, about it.

Hon. Mr. Snow: Oh, you have a conflict there? We might be able to replace the cable car. It is getting pretty old and rusty. I do not know that I would want to ride it any more.

Mr. Kerrio: The city was interested because we have Consolidated Rail Corporation, or Conrail, cutting the city in half. It seems an ideal place to put an elevated system.

Mr. Gilbert: There are two problems down there, one to service the Niagara Parks Commission area and the other to service the city of Niagara Falls. Really, when the Niagara Parks Commission first spoke to Mr. Foley, they were talking about distribution around the Niagara Parks Commission area. Then the discussion expanded because the city of Niagara Falls wanted to get involved. Our staff took part and had someone on a committee that looked, from a tourist point of view, not only at the Niagara Parks Commission's requirement but also at the city's.

I do not know where that stands right now. They had two consultants' reports on it and to be honest with you, I think there was a little contradiction between the two of them. Where it stands at the present time I am not quite sure, but I think it is with the Niagara Parks Commission and the city of Niagara Falls to decide what they are going to do and where they are going to go next.

The ministry has a representative on that, but

it is really a bigger problem to serve both tourism in the city of Niagara Falls and the distribution in the park.

8:50 p.m.

Hon. Mr. Snow: Mr. Chairman, I will try and sum up the rest of the remarks to Mr. Samis.

Mr. Kerrio: You will save a lot of time in the concurrences.

Hon. Mr. Snow: Mr. Samis did make a very good—

Mr. Samis: I do not need flattery today. Criticize me, please.

Mr. Kerrio: I am excited about it, because he is going to expose it to the visitors from the United States. Mr. Minister, do you realize that?

Mr. Samis: They just walked in.

Mr. Kerrio: Mr. Minister, do you realize the visitors from the United States are going to see—

Hon. Mr. Snow: My honourable critic from Cornwall made a very good presentation to committee the other night.

Mr. Samis: Do not say it in front of Elie.

Hon. Mr. Snow: After all, Elie is one of the club of '67.

Mr. Samis: Oldtimers.

Hon. Mr. Snow: Elie and I always have not agreed, but because he is in the club of '67 he does have some kind of special priority.

Mr. Kerrio: I always wondered why that was.

Mr. Samis: We are having enough problems dealing with him as House leader, do not spoil him any more.

Hon. Mr. Snow: Get away from the intermediate-capacity transit system and get back to the Urban Transportation Development Corporation for a moment.

Mr. Martel: What is that? No, I just want to talk about the roads.

Hon. Mr. Snow: All Elie knows is I-n-c-o.

Mr. Kerrio: Before I leave this question, do you not think it would be an ideal place to show your new system if—

Mr. Martel: You told me to come here and argue for a road tonight and I am here to argue for a road.

Mr. Brandt: Mr. Minister, if Vince agrees to stay on it, I think I would agree with that suggestion.

Hon. Mr. Snow: Mr. Samis made a good point: what else were we doing besides ICTS? I want to answer that comment.

Mr. Martel: As long as I get there before 10:30.

Mr. Chairman: Mr. Martel, you have only been in the committee for 30 seconds. You have already totally—

Mr. Samis: Just like caucus.

Mr. Martel: The minister told you he and I go back a long time together. I am a member of the Legislature because of him.

Hon. Mr. Snow: I remember the first set of estimates I sat through in the Ontario Legislature in 1968. My predecessor, George Gomme, was the Minister of Highways. Cam McNab was the deputy minister. The Department of Highways' estimates took eight weeks to pass.

Mr. Kerrio: Who was the critic?

Hon. Mr. Snow: Elie Martel talked about Inco making hot water that went into the river and made fog. I will never forget that, Elie, as long as I live.

Mr. Martel: It cleared up. You know what they did. Mr. Minister? About three years ago, they covered the whole creek. I was right.

Hon. Mr. Snow: I hope they did not follow your suggestion.

Mr. G. I. Miller: Do you remember Jim Allan, when he was the minister of transportation? He was one of the best.

Hon. Mr. Snow: I saw Jim Allan last night and I talked to him for a few moments. He looks as good today as he did when I stood up in the House 11 years ago and wished him a happy birthday on entering his fourth quarter century. That was 11 years ago, so he has to be 86 now. If I can come to a caucus party when I am 86 as he did last night—Mr. Samis?

Mr. Samis: I am listening; I have been listening.

Hon. Mr. Snow: I will carry on quickly, I am sorry.

I want to tell you what else UTDC has—

Mr. Kerrio: Who is the grandfather?

Hon. Mr. Snow: Did you not get one?

Mr. G. I. Miller: You have your cigar now, Elie.

Mr. Martel: One is for TV.

Hon. Mr. Snow: Anyone else not get one?

We were talking about the Canadian light rail vehicle. The CLRV was a development of

UTDC. It is an excellent development. It is a wonderful piece of transportation equipment. It has its role. It serves a different field; a different type of capacity. It is halfway between a bus line and an ICTS line, and the ICTS line is halfway between a bus line and a subway.

The CLRV has been an excellent program. We are working on an articulated CLRV; we are developing a prototype articulated CLRV such as the one you see in Europe. It is basically two streetcars bending in the middle.

We are very seriously considering getting into an articulated trolley bus; that is an electric articulated bus. We feel there is a market for them. We know of places where there is—

Mr. Samis: Common in Europe.

Hon. Mr. Snow: —a market for an articulated electric trolley car. That is something we have not really started on yet, but it is something I want to see UTDC get involved in.

A contract has been entered into between the Ministry of Energy and UTDC for hydrogen research. We are hoping to develop technology for a diesel-engined bus.

Mr. Samis: Are you not doing something now in Kingston in conjunction with their transit authority?

Hon. Mr. Snow: That is right. We are working on a hydrogen research program now. I hope we will have experimental diesel buses converted to burn hydrogen gas. There is also the possibility of using diesel locomotives on our GO train system as an alternative where electrification does not make sense. There is the possibility of using a hydrogen-powered locomotive to power our GO trains rather than diesel power. It is all part of the—

Mr. Chairman: Gentlemen.

Mr. Brandt: This is important.

Mr. Mancini: You lost control, Mr. Chairman.

Hon. Mr. Snow: —off-oil program. So that is the type of research we are doing.

UTDC is co-operating with my ministry, with Ontario Hydro, and with GO Transit on the electrification program. They are a partner in that development.

There are other contracts UTDC has as a transportation consultant. We have entered into advisory and service contracts in Cairo, San Francisco, New Orleans, California, Vancouver and New Jersey. The company has entered into consulting contracts to those areas, so it is now a world organization.

Mr. Chairman, that more or less answers the points Mr. Samis so properly brought up the other evening.

I could talk about some of the 1981 highlights of accomplishments of UTDC. We have signed the \$650 million contract in Vancouver. We are proceeding with the \$130 million system in Scarborough. We have been selected for the \$120 million US ICTS contract—

Mr. Samis: Could Mr. Foley amplify that since we discussed it briefly?

Hon. Mr. Snow: Just a minute. He can amplify that, but I want to finish.

The \$120 million US—roughly \$150 million Canadian—contract in Detroit I understand was approved yesterday or the day before for federal funding.

We have an operating services contract for two years in Vancouver. We have negotiated an operating services contract for five years in Detroit. We are working with the Vancouver area in a commuter-rail project—not the ICTS but a GO Transit type of thing separate from ICTS—to go out farther into the countryside in the Vancouver area. In 1981, we completed the delivery of 196 CLRV vehicles to the Toronto Transit Commission.

The gross revenues of UTDC are close to \$58 million.

Mr. Martel: You sound like a Socialist, Jim.

Hon. Mr. Snow: No, I am the shareholder; I am a capitalist.

Mr. Martel: You guys sound more like Socialists every day. I worry about you.

Hon. Mr. Snow: I worry about you too.

Mr. Martel: The Tories are saying, "Move aside, we are coming over to the left."

Hon. Mr. Snow: I do not worry about you as much as I do some others. After you become chairman of Inco—

Mr. Martel: That is a low one.

Mr. Kerrio: Then he will be gone.

Mr. Martel: They have blown more money in the last five years than anyone I know.

9 p.m.

Hon. Mr. Snow: Mr. Foley tells me ICTS earned a profit of approximately \$2.6 million this year. I have to tell you proudly, UTDC made its first dividend payment to me, as a shareholder on behalf of us all, of \$450,000 in November 1981.

Mr. Martel: Come on over, fellows.

Hon. Mr. Snow: We have created approximately 200 jobs internally in the corporation. We have created in excess of 800 direct jobs externally, plus many other jobs indirectly.

We have obtained private sector participation in the production of the ICTS equipment and the components. We have won a number of advisory or consulting contracts, which I have mentioned. We have the research and development projects in articulated streetcars, the hydrogen program, control devices and alternative propulsion systems. That is what UTDC is doing and that sums up my remarks.

Mr. Kerrio, you wanted to discuss some other pet project of yours.

Mr. Chairman: Mr. Mancini is first on the list. If Mr. Mancini chooses to give his time to Mr. Kerrio, that is his prerogative.

Mr. Samis: Can I just ask, Mr. Chairman, if we can divide up the remaining 90 minutes to have some idea if we can cover the whole spectrum of UTDC? Is that agreeable?

Mr. Kerrio: We were talking about Remo or me and all of a sudden Samis is in the middle.

Mr. Chairman: I thought it was the committee's consensus at the outset that we should proceed and see how far we got.

Mr. Samis: I would ask the Liberal critic if he would agree to some format of general discussion and then we could get into Hamilton, the lakeshore and Kingston.

Mr. Kerrio: May I ask one important question?

Mr. Chairman: Mr. Kerrio, I think we are going to proceed with Mr. Mancini's question.

Mr. Martel: While they are contemplating their navels, could I ask the minister a question?

Mr. Chairman: Definitely not.

Mr. Mancini: It is nine o'clock and I was hoping maybe Mr. Samis and myself could put questions of a general nature to Mr. Foley or to other staff people for approximately 30 minutes. Then I would be willing to set aside 10 or 15 minutes for some of the other members on the committee. That would bring us to about a quarter to 10 and then Mr. Samis and I could get on some specific topic points, specifically Hamilton, the waterfront and Kingston. We would take 15 minutes each for those three.

So we would go to 9:30 on general statements and questions; we would divide up 15 minutes for the private members other than the critics;

then we would divide up the three specific areas, 15 minutes each; and that would take us to 10:30 and we would be out by then.

Mr. Martel: I only want three minutes.

Mr. Chairman: The only point I have to make to the committee members, and it is up to the committee members, is that it would appear that, proceeding in that fashion, we will not begin to touch on anything other than UTDC this evening. There are other members of the committee besides the two critics, with all respect to the two critics.

Mr. Mancini: That is why we are giving up 15 minutes.

Mr. Runciman: What are we suggesting for UTDC remaining?

Mr. Chairman: I think it is being suggested we use all the remaining time for UTDC.

Mr. Runciman: I personally disagree. I have a few questions and I know that government members of this committee have had no opportunity at all to ask any questions.

Mr. Kerrio: Why would the government members have questions when it has been run so well by the minister? They could not possibly have any questions.

Mr. Chairman: I would really suggest that another half an hour to an hour at the most on UTDC would be ample. The vast majority of the budget is under the provincial roads program and the municipal roads program. I would think committee members would want to ask some questions about those important topics.

Hon. Mr. Snow: There is a report to the standing committee that we have here tonight, an update to the present. I am quoting from some of it. I would ask Mr. Foley to distribute that to members of the committee.

Interjections.

Mr. Chairman: Gentlemen, could we have only one person talking at a time? The minister is trying to give a response. I was not really thinking of you, Mr. Kerrio.

Mr. Mancini: Mr. Chairman, I was wondering if Mr. Foley was going to make any opening comments.

Hon. Mr. Snow: No, Mr. Foley will not make any opening comments. Mr. Foley will answer questions.

Mr. Mancini: Fine.

Interjections.

Mr. Chairman: Mr. Martel has the floor on a point of order.

Mr. Martel: There are three or four of us who only want a couple of minutes. Why do you not give up the floor and we will give you the last hour and you can argue with Mr. Foley and you can argue with the minister.

Some of us would like to talk about road construction. We will give you the last hour. We only want a few minutes each and then you can have the hour. We will even go away.

Interjections.

Hon. Mr. Snow: The member for Haldimand-Norfolk (Mr. G. I. Miller) has no questions to ask because I built his bloody bridge this summer.

Mr. Chairman: Gentlemen, in all seriousness, I think we have Mr. Foley here this evening from UTDC.

Mr. Kerrio: I would not keep him out for the world.

Mr. Chairman: He is here to answer questions.

Mr. Martel: I only have one question.

Mr. Chairman: I would suggest that we proceed to ask questions with respect to UTDC, then Mr. Foley can take his leave and we can discuss other topics. The sooner we get on to that the better.

Mr. Mancini: Mr. Foley, the minister was saying UTDC has made some kind of payment to the ministry. He mentioned the word dividend. Is there a difference between that and profit?

It appears that since the establishment of the UTDC in October 1974 some \$70 million has been spent. Is that a correct figure or close to being correct? Was the minister telling us you have made \$70 million and then, further to that, you are able to pay a dividend?

Hon. Mr. Snow: Let me answer that. It was \$70 million basically. If you are talking about the money spent on the ICTS contract, the ICTS development, that was a research and development contract entered into between my ministry and UTDC. UTDC were carrying out research and development under a contract between MTC and UTDC, and we paid UTDC for the research and development and the creation of the ICTS technology.

UTDC have an agreement with the ministry that, as they use that technology, they will pay a royalty to the ministry. They made their first royalty payment of roughly \$500,000 last month.

Mr. Mancini: I think that type of point should be made clear. A person reading the records

would assume that since they paid some kind of dividend they have made a profit, that they have been able to repay all the money that was injected in the company, et cetera. That is normal business procedure.

Hon. Mr. Snow: No, it is not. If you ran a business, you would not say that was normal business procedure.

Mr. Mancini: Okay, that is fine. I will not get into—

Hon. Mr. Snow: You do not necessarily have to repay all your equity capital before you make a profit.

9:10 p.m.

Mr. Mancini: That was exactly the point I was trying to make, Mr. Minister—that there is no hope within the foreseeable future for UTDC to repay the investments that have been made. I think it is not quite correct to place on the record that the company has paid a dividend when we know \$60 million or \$70 million has been put into this company. At today's interest rates they could not possibly pay back even half of that. If you want to say they made a dividend payment, fine, but talking bottom-line figures, how long would it take, Mr. Foley, to repay the \$70 million?

Mr. Foley: We have a licence agreement with the Ministry of Transportation and Communications which calls for two per cent of our sales—not profit; two per cent of our sales—to go to the ministry in the form of a royalty and 50 per cent of the profit from those sales. If we deliver the Vancouver project, according to budget and according to schedule, it will virtually pay back the \$70 million.

Mr. Mancini: Fine. I think when that happens the tone of the minister's comment would be greeted in a different fashion.

Hon. Mr. Snow: When that happens you will probably crawl under the table and you will not say anything.

Mr. Mancini: No, I will congratulate you. I promise.

Hon. Mr. Snow: Commitment?

Mr. Mancini: Commitment.

We are a little worried about the Vancouver contract. Why was a \$300,000 performance bond requested for that contract?

Mr. Foley: I think the minister explained that earlier. The contract in Vancouver was made up of two parts. The first part is a fixed price contract for the delivery of equipment, which

consists of the vehicles, the train control system, the rails, the rail fixation devices, the power control, the electric distribution system.

The other part of the contract is basically a construction job—to build 30 kilometres of guideway, 15 stations, a maintenance facility and a training and operating centre. That civil engineering construction process is no different from what it is here in building a road or any other building.

Mr. Mancini: But, you see, the reason—

Mr. Foley: I was just going to answer that.

All civil structures and all civil contracts require performance bonds. We will assemble some 15 to 20 separate contractors, each of which will supply us with a backup subcontractor's bond. The total backup bonds we will have will exceed what we call the primary bond. It is an absolutely normal process of doing business. That bond will be backed up and covered by subcontractor's bonds from private sector contractors in British Columbia.

Mr. Mancini: I am a little concerned about your whole bookkeeping operation, but I do not know if we will have time to get into that tonight. I am still not quite sure why you had to post a \$300 million performance bond, because I can recall being involved with special committees investigating Ontario Hydro contracts. In many of those contracts there was no performance bond requested by Ontario Hydro.

Of course, when you get these people in they seem to be able to give you the answers as to why these performance bonds were not requested and they got stuck with a lot of faulty equipment that they had to replace at the taxpayers' cost.

That is one of the reasons I asked this question. Ontario Hydro is a pretty significant crown corporation and they have done business for a long time, and they do business in the hundreds of millions of dollars, but for these contracts they requested no performance bond. I am still not quite sure from your answer why this bond had to be posted by the Ontario government.

I hope things go well there for you, and I think the whole province will benefit if it does. But I am afraid the people are very suspect of your system.

Mr. Foley: I could quote to you a specification from almost every transit proposal that was issued in the United States—in Houston, Atlanta, New York, Chicago, Los Angeles, anywhere—and that specification is there. In fact the formal language approved by the federal gov-

ernment of the United States insists on 100 per cent payment bond and 100 per cent performance bond on every single transit project that has any federal government money supporting it.

Those practices have largely been picked up in North America by all properties. It is most unusual to find a procurement specification written anywhere in the transit business that does not have a requirement for a 100 per cent bond. In Vancouver's case, the bond is about 50 per cent of the contract value.

Hon. Mr. Snow: I would like also to mention that my ministry awards \$250 million to \$300 million worth of construction contracts every year to road building contractors in this province and we do not require performance bonds.

Mr. Mancini: But they do for this job.

Hon. Mr. Snow: But that is an unusual situation. We used to require performance bonds but now we have a prequalification system where we prequalify every contractor as to the amount of work he is qualified to do for the ministry, for municipalities or for private individuals. We base it on their financial capability, their experience, their manpower and their equipment. They are only qualified for a certain amount of work and if they stay within that prequalification we do not require a performance bond. In other words, we take the risk because we prequalify them and we screen them.

I also know that in the private sector construction business—and basically that is what UTDC is in—bidding in Vancouver, or in Detroit, or in Los Angeles, or in Miami—they are not prequalified in the same way and they are expected to put up a performance bond.

Mr. Mancini: Mr. Foley, I am informed the Provincial Auditor did a review and an examination of your financial statements from December 31, 1975, to December 31, 1979, inclusive. He found there was some nonconformity with respect to generally accepted accounting procedures. What specifically was the auditor referring to?

Mr. Foley: I do not believe the statement you just made is accurate. Our auditor is not the Provincial Auditor but an outside auditor, Coopers and Lybrand, who did an analysis in 1977. They report each year and when we file our annual report before the House they put an audit certificate against those statements.

In 1977 we were financing the ICTS program through what was called the debenture. That

debenture would go to the profit and loss statement as an expense against which, of course, there were no revenues to write off.

In the process we set up what was called a deferral, because we had no understanding at that time as to whether the technology would be successful or not. We were right in the middle of a development program. The auditors indicated the standard practice in industry would be to write that project off because they could not make any judgement as to the successful outcome of the technology development process. They therefore said, with regard to the statements, they did not know and were not able to make a judgement as to whether or not those assets, in effect, reflected a commercial value. To that extend R and D projects usually are written off in the year they are incurred.

The next year we approached the government and suggested that debenture financing was not the best way to finance that and a research and development contract was.

Mr. Mancini: Is that because of the auditor's remarks?

Mr. Foley: No, simply because the situation was that it was a development contract. It was not a debenture in the normal sense of a debenture. So the year after we conformed to that statement and said we would undertake a development contract and we would write it off in the year in which it was incurred.

9:20 p.m.

Mr. Mancini: I guess I should have called the auditor before I came in this evening. I will undertake to do so in the very near future, because I am of the opinion the auditor felt the deferral which you referred to—I think it amounted to almost \$1 million.

Mr. Foley: It was probably in excess of that.

Mr. Mancini: Yes, it was probably in excess of that. He felt that was not in accordance with generally accepted accounting principles. Maybe I will draft him a letter and send it over to him and see if I can get an explanation from him as to his views on that matter. I think that is an important issue.

It was also reported UTDC had some problems concerning some automobiles which were purchased. I think a cost of \$71,000 was attached to the purchase of these automobiles. The details concerning the specific number of automobiles, the individual cost of these automobiles and the locations are unknown. Is that correct?

Mr. Foley: No. The figure of \$71,000 may be right, but the details of the individual locations and the numbers are all known.

Mr. Mancini: That is all known?

Mr. Foley: Sure.

Mr. Mancini: You could provide that by letter so you do not have to take up the committee's time?

Mr. Foley: Sure. Yes. Absolutely.

Mr. Mancini: You could direct it to the chairman and he could make it available to all the committee members, please.

Mr. Foley: Fine.

Mr. Mancini: There was also a concern raised that the corporation had, at one time in the past, made a very generous loan opportunity available to one of the officers of the company. Specifically, it was a loan in the amount of some \$85,000 at the rate of three per cent. I guess it was a mortgage type of loan.

I guess you are no longer involved with that agreement since I am told that gentleman has left the agency. Are there any other similar types of loan arrangements you have made with other officers of your corporation?

Mr. Foley: We have assisted employees who have moved to Vancouver and have had to relocate in a housing market they could not afford.

Mr. Mancini: I would like some specifics, please, so I can review the record.

Mr. Foley: I do not have details of all the individuals. I know three people who were moved or taken—

Mr. Mancini: With all due respect, Mr. Foley, most people out on the street would consider this to be a very good opportunity for people who work for the corporation to receive these kinds of benefits. If you say there are only three, one would assume you would have ball-park figures available.

Mr. Foley: I can tell you that housing costs in Vancouver run \$250,000 to \$300,000. A similar house in which the gentleman might have been living in Toronto would be worth \$140,000, or something like that. We have insisted that he move to Vancouver, so we have a housing assistance program that relocates him. That will help him with his mortgage payments, particularly if he has had an eight per cent mortgage and now has to go to a 16 or 17 per cent mortgage.

Mr. Mancini: Fine, Mr. Foley. In that case,

since you do not have the specific figures for the committee this evening, Mr. Chairman, I would request of Mr. Foley that he write to you and that you make the information available to the committee members of the three specific instances he mentioned.

We would like to know the conditions of the loan, the amount of the loan and if there are more than three, I am sure the committee members would like to know the details.

Sir, you mentioned Vancouver, where you have an office. Do you have a similar situation in Arlington, Virginia?

Mr. Foley: No, we do not.

Mr. Mancini: If it does not exist, that is fine. If it does, we would like the information.

Mr. Foley: There is no other housing assistance.

Mr. Mancini: For the ones there are, you will undertake, sir—

Mr. Foley: I will provide that information.

Mr. Gilbert: Mr. Chairman, may I just say that even within the ministry right now, we are having a lot of difficulty relocating our employees. We do not have mortgage assistance, but I know a lot of corporations now—because we are in the middle of discussions with a number of corporations, to be able to start talking to Management Board about it—are having to do this type of thing.

In my own case, my son was moved from Toronto to Chilliwack, BC. He is with Canada Packers. They had arrangements. I do not think this is unusual in the corporate world right now.

As I say, we are running into it right within the ministry because of the high interest rates. To try and ask someone to move, say, from Thunder Bay or North Bay into Toronto and pick up a new mortgage, with the high market value for the homes in Toronto, is a real problem. All I am saying, Mr. Mancini, is this is something everyone is having to address.

Mr. Mancini: I am not going to prejudge the situation, Mr. Gilbert. I would like to look at the information.

I am glad you brought this point up, because once I receive the information from Mr. Foley I may wish to call some corporations who have offices all over the country and ask them similar questions. If they feel they can, they may wish to provide me with the information on a confidential basis so I can compare some of the benefits they are offering.

I do not know if I understand this correctly,

but you have some type of claim against the ministry for \$6.5 million under the light rail vehicle program. What is all that about?

Mr. Foley: The government directed us to provide a contract to Hawker Siddeley, as opposed to Bombardier, to produce the streetcars. It was agreed at that time that all of the cost differentials, including the additions of higher prices charged by Hawker Siddeley, would be accumulated.

When all the totals were put together at the end of it, the ministry would reimburse UTDC for any additional costs, including the costs of money, changes and other elements inherent in that decision. That process is under way. Delivery of the streetcars is just about complete and that figure, or that so-called claim, if you want, is now being tallied and submitted.

Mr. Mancini: Do you think you will receive that money from the ministry? I should ask the minister. Are you going to give Mr. Foley the \$6.5 million he thinks you owe them?

Hon. Mr. Snow: That claim will be adjudicated like any other claim made against the ministry by a contractor for the ministry. The UTDC is not being treated any differently to any other contractor who submits a claim.

We recognize the fact that, as the shareholder, and on behalf of the government, I instructed the UTDC to award the contract to Hawker Siddeley. I did not do this lightly. The board of directors had recommended the contract be awarded to Bombardier, but in the light of the knowledge of the situation in Thunder Bay and the need for a contract to keep that manufacturing facility operating in Thunder Bay, it was the conscious decision of my government, which I do not make any apologies for, to award the contract to Hawker Siddeley.

In doing so, UTDC, which had entered into a contract with TTC, rightfully said we should be responsible for added costs. They have made their claim. I do not know whether it is complete yet or not—

Mr. Foley: No.

Hon. Mr. Snow: —but the final claim will be made against the ministry, and in turn against the government, for the added costs of awarding that contract.

Mr. Mancini: Why would you not straighten this out before it got to this stage?

Hon. Mr. Snow: It cannot be straightened out until you have the figures. You cannot pay a claim until you have a substantiated claim to pay.

Mr. Mancini: No. The question was certainly that one might have assumed there could have been a claim when—

Hon. Mr. Snow: We accepted that as part of the contract. There would be a claim for added costs because of the award to Hawker Siddeley, but you cannot assess that claim until the contract is completed. My internal auditors in the ministry and the people of UTDC are reviewing that claim, the same as they would any other claim. They will settle it the same as any other claim.

Mr. Mancini: When do you think this settlement may be concluded—in the next three months?

Hon. Mr. Snow: When the contract is completed, I would judge it will probably be a year before all the audits and everything will be done.

Mr. Mancini: It is going to be a considerable time then.

Hon. Mr. Snow: Is that a reasonable guess, Mr. Gilbert? A year or so?

Mr. Gilbert: I hope we can get it done before that, but it could go that long. Right now our appropriate staff, on both sides, are trying to get together to look at what is there, but as Mr. Foley and the minister have said, the cars are finally being delivered. That is why we are only getting to that point.

9:30 p.m.

As you know, or may not know, a lot of the contracted claims in the road construction area appear to be very easy to settle, but it does take time to get all the facts out. So it is very difficult. The minister could be absolutely right, it could take that long to get it done. But we certainly are working diligently on both sides to finalize this claim.

Mr. Mancini: I see time is running along, Mr. Chairman. Mr. Samis, would you permit me one more question and I will turn the floor over to you?

Mr. Foley, are you responsible for the press releases issued on the stationery of the UTDC?

Mr. Foley: I do not write them—and I do not always review them all either.

Mr. Mancini: Do you assume responsibility for—

Mr. Foley: I am the president of the corporation. I assume responsibility for my employees.

Hon. Mr. Snow: He gets the blame for everything the same as I do as the minister. It

does not matter who does it. If the snowplough operator in North Nakina puts the wing down and knocks off someone's mail box, I am responsible.

Mr. Martel: There are no mail boxes in North Nakina.

Mr. Mancini: I just wanted to set the ground rules, Mr. Minister.

Hon. Mr. Snow: I just wanted to clarify the ground rules. Mr. Foley is responsible for any press releases the same as I am for any of my ministry's.

Mr. Mancini: Mr. Foley, if you were undertaking a project in my constituency which I represent, would you—

Hon. Mr. Snow: It will never happen.

Mr. Mancini: This is a very serious matter, Mr. Minister. I assume Mr. Foley, working for this crown agency, works on a highly nonpartisan basis. I assume that automatically, without knowing the gentleman, without knowing his background and without knowing anything at all.

I do not know any of the directors on the UTDC. I assume it is a crown corporation, highly nonpartisan and that they will conduct themselves in that manner. Now if you were to undertake a project in my riding and you were to issue a press release, would you or your media officer contact me as the member, and say, "Mr. Mancini, would you like to be part of our press release?"

I want to know. This is a very serious question. I want to know if that is standard policy, Mr. Foley.

Mr. Foley: I do not think so.

Mr. Mancini: That is not standard policy. If the members for Sudbury East (Mr. Martel) and Sarnia (Mr. Brandt) would just let me finish making my point—

Mr. Brandt: You are making a partisan point.

Mr. Mancini: I am not making a partisan point. Let me finish.

Mr. Brandt: I am just simply saying the very privilege you are asking for is not afforded to members of the government side either.

Mr. Mancini: That is not correct.

Mr. Martel: They say, "sponsored by Bill Davis and Jim Snow." They do not say, "sponsored by the province and the people of Ontario."

Hon. Mr. Snow: With all due respect, I do not recall ever seeing my name mentioned in any press release of UTDC.

Mr. Mancini: Just let me finish making my god-damned point and then you can do what you want with the rest of the time. I just want to say to Mr. Foley that I am—

Mr. Chairman: Mr. Mancini, I want you to retract the statement you just made, or withdraw the statement.

Mr. Mancini: No, I said as soon as I finish making my god-damned point I will leave—

Mr. Chairman: Do you consider that to be parliamentary language?

Mr. Mancini: Mr. Snow said that to me three different times in last year's estimates.

Mr. Chairman: This is this year's estimates. I do not consider it to be parliamentary language and I would ask you to withdraw the comment.

Mr. Mancini: I am not withdrawing it and it is not unparliamentary.

Mr. Chairman: My ruling is it is unparliamentary.

Mr. Mancini: Mr. Chairman, I withdraw it. The House leaders go out for all these dinners and then they come back and they disrupt everything.

Mr. Martel: Well, I went out with the Minister of Labour (Mr. Elgie).

Hon. Mr. Snow: Where is your House leader? He was here last night.

Mr. Mancini: I know, but he is in rough shape too.

Hon. Mr. Snow: Wait until I tell the member for Brant-Oxford-Norfolk (Mr. Nixon).

Mr. Mancini: The member for Sarnia accused me of being partisan. Now just a minute, let me finish this damned thing.

Mr. Foley just informed the members of this committee that if the Urban Transportation Development Corporation, a crown corporation, was undertaking a project in my riding, it is not media policy for him to come and contact me and ask me if I have any statements to make. The member for Sarnia accused me of being partisan—

Mr. Brandt: No, I said you made a partisan remark.

Mr. Mancini: Okay, he accused me of making a partisan remark and said members on the government side do not have that privilege. I am very disappointed and disturbed to see, sir, that on your press release under the date of November 9, 1981—and I want the member for Sarnia to pay particular attention—it says in paragraph three, and I am quoting verbatim, "The honour-

able James Taylor, member of the Legislature for Prince Edward-Lennox, stated that construction of the new fabrication and assembly facility is expected to begin early in 1982 and the first vehicles are planned for production starting in 1983."

I do not know who wrote this, but why did UTDC allow a member of the Legislature to be included in this particular press release? You stated clearly you would not contact me for any such comment if you were issuing such a press release that affected my area. The member for Sarnia said that government members do not have this privilege. I want to know from you why was this partisan action taken?

Mr. Foley: There is no reason why it was undertaken. You asked me if I was responsible for the press release. I told you I was responsible for the actions of our corporate personnel. I guess I am responsible for that particular press release, but I do not have an answer to your question as to why it was put in. That was not directed to be put in.

Mr. Mancini: Are you going to issue a memorandum to your staff to put a stop to this kind of stuff?

Mr. Foley: Yes.

Mr. Mancini: Could we have a copy of it? Could you send a copy to the chairman of the committee and then he can distribute it? Thank you.

Mr. Foley: Sure.

Hon. Mr. Snow: Just make sure that memorandum does not include the minister.

Mr. Mancini: I just mentioned the honourable James Taylor, because he is not a cabinet minister at the present time. But the following paragraph states, "The Honourable Keith Norton"—who has nothing to do with transportation—"the Minister of the Environment and the member of the Legislature for Kingston, said, 'It is expected that the company will create over 300 new jobs in the Kingston area.'"

I just do not think that is very fair. You are supposed to be a nonpartisan operation.

Mr. Chairman: Gentlemen, with all due respect to Mr. Samis, I think he should be accorded equal time and we should proceed with his question.

Mr. Martel: Remo is right.

Mr. Samis: Thank you, Mr. Chairman. It will not be equal but I think the point made by the member for Essex South (Mr. Mancini) is a good one. I think it should be acted upon.

I would like to ask Mr. Foley a variety of questions about the various activities of the UTDC, so I will sort of do it on a geographic basis: Detroit, Vancouver, Hamilton, Toronto and Kingston.

First of all, Mr. Foley, I wish you could bring us up to date and provide us a little detail on the Detroit deal and what that means specifically to Ontario.

Mr. Foley: I think the last time through the estimates we said there was a program in the United States that dealt with downtown circulator systems. It was a program put in place by the Carter government. We bid on three of those systems and were selected in two.

The government of the United States changed and Mr. Reagan brought in budget curtailments in which he stopped the budget flow to Los Angeles. In that process, of course, while we were awarded the contract and ready to start, the notice to proceed never got issued because funds were not allocated.

The same situation applied about a year ago in Detroit. Since then, we have been helping to provide information about the benefits of the program to the Detroit municipal government and to the legislature in the state of Michigan. We have convinced the government of the United States to include the budget for the Detroit project.

9:40 p.m.

As you know, it has been a long and involved budget process in the United States this year. As of about two weeks ago, the president did not sign the continuing appropriation legislation, which sent it all back to ground zero again. But as of Tuesday of this week, the appropriation bill was presented to the two houses in Congress and was passed.

It was presented to the president, I think, the day before yesterday and he agreed he is going to sign it. That will mean the project will go ahead. I could refer you to the language in the bill; I have a copy of it here if you would like to see it. It directs the government of the United States to issue a letter of intent to the Southeastern Michigan Transportation Authority to proceed with the project.

We have negotiated the contract. The contract has now been sent to Washington for confirmation that it covers all the—

Mr. Samis: I do not want to get into all that. I just want two basic things. What does it mean to Ontario and to what extent, with the buy-American policy, will it be done in the United States?

Hon. Mr. Snow: I will explain. Cars will be built here and the infrastructure will be built there. You can elaborate on it.

Mr. Foley: The buy-American program is a \$120 million project, so it means that amount—

Hon. Mr. Snow: That is \$150 million Canadian.

Mr. Foley: —of money is going to be flowing through the project office—

Mr. Samis: Okay, but what I want to know is what is going to be done in Canada and what has to be done in the United States as part of that contract?

Hon. Mr. Snow: Why do you not believe me when I tell you this?

Mr. Samis: I want details. You just give me these round figures and leave it at that.

Hon. Mr. Snow: I have always operated in round figures. It has always worked very successfully.

Mr. Martel: Yes, I know. I have heard that.

Mr. Foley: The buy-America act calls for two things: one is that 50 per cent of the components be purchased in the United States; and that the final assembly can be conducted in the United States with the system as it—

Mr. Samis: Can or must be?

Mr. Foley: Must be—will be. With this system, 50 per cent will be composed of the civil structures of guideways, stations and maintenance facilities. So we can build and sell all of the equipment from Canada; train controls, vehicles, electric distribution, power control information and all of the auxiliary equipment.

The final assembly has been declared to be the act of putting it all together there. The installation of the electrical devices, the track and all of that, qualifies as final assembly. So in effect, the buy-America act does not apply to this system.

Mr. Samis: Okay, in view of all the controversy about the deal with TIW Industries Limited versus Hawker Siddeley, what does that mean in terms of Ontario and in terms of what you have just described vis-à-vis production facilities? Where will that work be going?

Mr. Foley: On the vehicles?

Mr. Samis: Yes.

Mr. Foley: It will be built with TIW facilities.

Mr. Samis: On the Kingston site?

Mr. Foley: Yes.

Mr. Samis: And when will that process begin?

Mr. Foley: The process will begin immediately upon signing the contract. We expect that to be in January. The vehicle delivery dates are in the document I provided for you. The manufacturing, which is the assembly of all the pieces, starts in about mid-year 1983. The orders for material will start immediately; probably in February.

It looks as if the delivery of the cars starts in August 1984.

Mr. Samis: August 1984? Okay. Because of time constraints, I will go through this fairly quickly.

Mr. Martel: Are you finished?

Mr. Samis: I have not finished at all.

Mr. Martel: Oh, I did not know—

Mr. Samis: You northerners. Can I ask just briefly—

Hon. Mr. Snow: Will the New Democratic Party House leader go and get us a report on what that bell is all about?

Mr. Samis: That is right. Check on it.

Interjection: It is finished.

Interjection: The Liberal quorum—

Hon. Mr. Snow: We have a quorum here. One, two, three, four, five, six, seven, eight, nine, 10. Ten of us here.

Mr. Martel: I am next and I am not losing my place.

Mr. Samis: That is assuming I stop at 10 o'clock, and if you do not keep quiet, I may not.

Can you bring us up to date, so far, as to what has been done on the Vancouver deal? Second, can you just refresh my memory? What percentage of that actually transpires into business here in Ontario versus what is actually going to be put together in British Columbia, as part of that contract?

Mr. Foley: In rough terms it is 35 to 40 per cent of the contract dollars and \$650 million is the current estimate to complete in dollars of the day as you go through. Somewhere between 35 and 40 per cent of that will be done in Ontario.

Mr. Samis: Again, where? All in Kingston or at some—

Mr. Foley: No, maybe it would be worth while to indicate to you there are a number of major components and there are all kinds of purchased items. In the train control system, for instance, International Telephone and Telegraph has moved their complete operation from

Europe to Guelph. They will be building the train control equipment in the Guelph-Kitchener area.

The General Electric Company power control, which is a transistorized power control, will be made in a facility that is about to be constructed in Mississauga. The truck components will be going out for tender in the next couple of months. There are about a half a dozen areas, including Thunder Bay, that could be producing those. The vehicle car shells will be produced in the Kingston area. Then there is just an explosion of component parts we will buy. Almost all, or a lot of them, come from Ontario manufacturers.

Mr. Samis: With the Vancouver contract now virtually being simultaneous with the Detroit contract and virtually being simultaneous with the Scarborough contract, there is no problem with any of your suppliers, subcontractors or assembly facilities?

Mr. Foley: On page 20 of the document I have shown you, we have laid out the production—

Hon. Mr. Snow: You see the schedule there.

Mr. Samis: Why did we not get this before, by the way?

Mr. Foley: I had understood I was to be here on Tuesday and I asked my staff to put this together with the latest information. It was produced this afternoon with all the latest information we could give you, including financial information to the end of November and projections to the end of December.

Mr. Samis: Did you want to make any comments on this for us?

Mr. Foley: You can see there is an overlap and what is basically being looked at and being dealt with there is to give economic production runs to manufacturers as well. If you string it out to be a long delivery process you are going to increase the cost per unit. As it stands now, the plan would allow us to produce about another 50 or 60 cars within that time period up to 1986 and still be quite economical.

Mr. Samis: If Toronto opted to go for the intermediate-capacity transit system on the Lakeshore line, how would that affect the whole capacity to meet all these contracts plus that one?

Mr. Foley: As I said, we would be able to produce another 50 to 60 cars without any difficulty on a single-shift operation between now and 1986.

Mr. Samis: I presume you have no idea what that would involve at this stage?

Mr. Foley: It is generally thought the water-front system, depending on how it gets laid out, would be somewhere around 30 cars.

Mr. Samis: Thirty. Switching to the decision made in Hamilton, which is obviously a major setback. I do not know if there was a public relations disaster or political setback or what, but as a man who has been involved in transit, dealing with all sorts of public and private authorities, what lesson have you learned from that experience?

Mr. Foley: From Hamilton?

Mr. Samis: Yes.

Mr. Foley: I could make some comments on Hamilton. First of all, that—

Mr. Samis: Nonpolitical comments.

Mr. Foley: I only make those.

Mr. Samis: Well.

Mr. Foley: I think you must go back into the history of Hamilton a little bit to reflect on what happened and what has been done there.

The Hamilton city council, reflecting on the minister's offer back in 1978, with the exception of one vote, asked the UTDC to undertake the study in late 1979. That was done according to the process they put in place.

From a public information point of view and from a public participation point of view, I think I could only make one comment with respect to the way in which information was handled. I firmly believe the public processes were well served in Hamilton and the—

Mr. Samis: Were you satisfied with the performance by Metro Canada Limited in that whole process? From what I read in the media, that obviously seemed to create considerable antagonism.

Mr. Foley: Absolutely. I was going to make one comment with respect to the handling of information. The regional government, at their own request, set up a process where all information must go to council through a technical committee and a steering committee and then on to council before it could be released. There was no discrimination as to the nature of the information that would go through that process. All information would go through that process.

9:50 p.m.

It is apparent that all information may not need to go through such a process; there is information that could be distributed without going through that process. That process can be clumsy to some extent, in that the citizens must wait for meetings of the technical committee, of

he steering committee and of the council before they can receive information. I would recommend to a municipality that certain information can be made available to the public without having to go through the council's hands.

I think the issues with respect to Metro Canada Limited are basically a question of whether a company that is selling a piece of transit equipment can also evaluate that transit equipment. They set out a situation where we would subcontract that to other consultants and outside people. I must say I take exception to the statements that Metro Canada produced any biased or uninformed reports.

Mr. Samis: Is there any significance to the fact that, as I gather, in the Lakeshore run, Metro Canada is not being involved as one of the consultants there?

Mr. Foley: I do not think there is any significance other than that TTC in Metro Toronto has long experience in undertaking rapid transit evaluation processes. In Hamilton that was not the case and the council asked us, in 1979, to undertake that study. They also approved all the subconsultants. They approved, specifically, the subconsultant who did the alternatives analysis study.

Mr. Samis: You do not concede in any way that the public reputation of Metro Canada Limited has been tarnished somewhat by the Hamilton experience?

Mr. Foley: Not at all.

Mr. Samis: You do not think that was one of the major factors your opponents used to turn public opinion against you?

Mr. Foley: Opponents are opponents.

Mr. Samis: Yes, but the opponents have to have something to use to persuade the public.

Mr. Foley: That is debatable.

Mr. Samis: You have to have something to persuade 18 aldermen to vote against it.

Mr. Foley: It is interesting to read the recommendations of the technical committee in Hamilton, which were to proceed with the program and to implement the rapid transit system.

The steering committee, when it undertook its recommendations to the council, relied heavily on a population projection that was issued in September 1981, about a month and a half before the study was completed. That projection said that population projections in Hamilton are moving down from 550,000 persons to 450,000 persons.

It is clear to me that the number one statement that the council was looking at—and I could read it to you—was that they believed, with the population projections as they were and the negative growth rate in Hamilton, that the timing of the decision to implement the ICTS could be delayed by about 10 years. Those 10 years would allow time for completing all auto-oriented improvements to the existing mountain access roads.

It is clear from the statements made by the regional councillors on voting that they believed strongly that there was time for the implementation of a rapid transit system and that they could proceed with some of these other elements. I suggest that the population projections in Hamilton and the basis of desire in Hamilton for a rapid transit system have little to do with Metro Canada Limited or little to do with the ICTS.

Mr. Samis: If I accepted that, I would ask, "What possible reason would these 18 people have used, even if they were semi-rational, to turn down the system?" There had to be some reasons. They are irrational reasons, perhaps, whether related to Metro Canada, the location of the line, the technology involved or the fact that the minister, through one of his pieces of legislation, did provide, in effect, an alternative that seemed to be more acceptable to a local authority.

Hon. Mr. Snow: They have not even mentioned that alternative.

Mr. Samis: No, but it is there now.

Mr. Gilbert: Mr. Samis, can I go back to the fact that, going way back to the early 1970s, Hamilton always talked about the need for a rapid transit corridor when they did their transportation study? There was a real interest in it. In fact they came in on a number of occasions and talked to us about support for a rapid transit corridor.

There was real municipal political support for this. As the minister said before, when it was mentioned, they were the first in and they wanted to get on with the feasibility study and what have you.

To be honest, I think one of the real leaders of that was the former mayor, as we were saying a while ago. Let us face it, Jack MacDonald went out of the meeting at that time and took it on with the intention of really pushing ahead with it.

Over the period of the study, et cetera, there was not that same strong leadership. That is why we have always said it was up to municipal

council. But there was never the same strong enthusiasm as that which was shown when Jack MacDonald came in. I am not being critical, but you asked what went wrong and I think that was it.

Mr. Samis: I do not want to pursue this since I only have five minutes. You may be right in saying there was a lack of political leadership. I just suggest to you that not all the blame rests in the political field—

Mr. Gilbert: I am not saying that either.

Mr. Samis: —or with the media or the political or nonpolitical opponents. There must have been something within that was lacking or not effective.

Mr. Gilbert: I was trying to answer what went wrong. I am just saying there was not the same enthusiasm when that changed.

Hon. Mr. Snow: With all due respect to the mayor of Hamilton, I do not know the gentleman that well.

Mr. Samis: The current mayor.

Hon. Mr. Snow: Yes, the current mayor. I have a considerable deal of respect for that gentleman. We have had issues in Hamilton and it happened that he was not in favour of ICTS. On the other hand, that same gentleman has come out very strongly and right up front in favour of our proposal for the Burlington Beach Skyway.

I think he is an honourable gentleman. He puts forward his views as he sees them in the same way I put forward my views, even though I may disagree with a great many other people some time.

Mr. Foley: I would just point out that the mayor of Hamilton was on the radio this morning in Vancouver. He was quoted as saying that the reason Hamilton did not proceed was that the system would have had too short an application and that the population projections of Hamilton had declined significantly over the period of the study. Therefore their council perceived there would not be the need in the same time frame as had been previously set.

He made a specific point of saying in that broadcast in Vancouver that he had been to Kingston, he had seen the technology and he was very impressed with it.

Mr. Samis: Can you clarify what happened in the process of the whole controversy about TIW Industries versus Hawker Siddeley?

I gather you invited proposals rather than bids. Can you give us some information on: (a)

what conditions or specifications you attached to those proposals; (b) where Hawker Siddeley fell down; (c) what it was about the TIW proposal that made it so attractive and superior to the others; (d) what type of studies or investigations you did on the production costs under the TIW proposal; and (e) why you opted to go for a company that has had indirect but no direct experience in this field?

The member for Port Arthur (Mr. Foulds) has raised the question several times in the House. In the confines of question period the minister has had a very limited amount of time to answer. Could you speak to those three or four aspects of that deal?

Mr. Foley: First, to deal with the concern of the member for Port Arthur, we met with a delegation for two and a half hours the other day and went through that.

10 p.m.

With respect to what we did to begin with and why, as you saw in that schedule of production, it is important that people recognize that the order size for public transportation vehicles is becoming much smaller than it was before. Our vehicle orders are 25, 30—in Vancouver's case, 114, but most order sizes are between 30 and 50.

In order to get economic production you are going to have to commit to longer production runs, not unlike the automotive industry and other industries where you will commit to a production run for an amount greater than that of a single contract. Therefore we knew that once we gave that contract to a particular company, that company would build the tooling and would undertake all of the processes against the first order, which is Scarborough's, for 24 vehicles. At that point there would no longer be any competition for the production of the ongoing vehicles because that company would have such a mammoth advantage in tooling and the training and design elements of it.

We went to the five companies that we thought were qualified and did a prequalification analysis of them. We told them we would like to turn this production process over to the private sector.

Two things were paramount. One was price control, so that we could compete with our offshore competition in the future, and the other was product control, so it could not be dissipated anywhere else by virtue of some joint venture agreements or production agreements with offshore companies or someone else.

We said to those five companies, "You

propose to us any method you want that will include joint venture, long-term fixed price subcontracts or any other basis." Hawker Siddeley was asked that as well.

We undertook a three-stage process where they would put a written proposal to us and would then come in and undergo interviews with our production people, our design people, our estimators and so on. Then we assembled all the estimates of overhead costs, production costs, the methodology that they would use and how much investment they would make in tooling and equipment.

This is not the same kind of design as a subway car; you cannot produce it in the same way as a subway car. It was designed to limit the man-hours that would be involved in it because they wanted it to be done at a very low cost.

Hawker Siddeley submitted a presentation to us, as did Bombardier, McDonnell Douglas, Vickers and TIW. We went through an estimate, using overhead rates and ranges that were known from each of those companies we had worked with. They gave us some of that information. In Hawker Siddeley's case we had it all, because we had just developed the streetcar processes up there.

We developed a set of criteria, including quality control, cost, long-term production requirements and methodology for production. We evaluated against those criteria and came to the conclusion that TIW and Bombardier presented us with the best bid that would ensure the highest degree of quality and the lowest continuing prices.

We then undertook interviews with each of the executives of those corporations to determine what they wanted to do to improve their position, but we did not tell one company what the other company's proposals were. We let them give us any other propositions they wanted to with respect to that.

Mr. Samis: Did Bombardier make an offer to manufacture and assemble at the Kingston site?

Mr. Foley: Bombardier made an offer to put an assembly facility and production facility in eastern Ontario.

Mr. Samis: Kingston or elsewhere?

Mr. Foley: They did not get down to an exact site. They wanted to keep it open longer than that.

Mr. Chairman: With your concurrence, I would like to proceed to the provincial roads program, vote 2604.

On vote 2604, provincial roads program:

Mr. Martel: What about 2601—are we going to pass that?

Mr. Chairman: We will pass the rest of the votes at the end of the session.

Since we have at least four people who wish to ask questions on provincial roads, I would suggest that we limit the question and answer period to five minutes apiece.

Mr. Haggerty, I understand you have been here for four sessions waiting to ask this question.

Mr. Martel: Mr. Chairman, on a point of order, the member cannot leave for an hour and come back and say, "I still hold my turn." What kind of nonsense is that? You cannot leave and stroll in half an hour later and say, "I still want my turn."

Mr. Chairman: My list has Mr. Haggerty, Mr. Martel, Mr. Runciman and Mr. Kerrio.

Mr. Haggerty: I will not be too long if I can get the floor.

Hon. Mr. Snow: Just a minute, it is not going to be Highway 58 or Highway 3. Do we have an understanding that we are through with the Urban Transportation Development Corporation and that Mr. Foley may be excused?

Mr. Chairman: That is correct, pardon me. Thank you, Mr. Foley, for coming and participating in our committee.

Hon. Mr. Snow: Thank you, Kirk. It has been a pleasure having you back with us. It has been a business doing pleasure with you.

Mr. Brandt: Mr. Chairman, when might it be possible for a Conservative member to ask a question?

Hon. Mr. Snow: We are going to build an intermediate-capacity transit system around Sarnia, out to Walpole Island.

Mr. Chairman: Five minutes apiece for questions and answers.

Mr. Haggerty: Can I ask the minister if one of his staff, perhaps, is knowledgeable in the area concerning the policy of the ministry—

Hon. Mr. Snow: Are you suggesting the minister is not knowledgeable?

Mr. Haggerty: In certain areas, yes.

In the area of resurfacing the highways, you are using a method of tendering whereby you plane a road and recycle the asphalt. I have had

a meeting with a number of contractors who feel the way the tendering is going on, or the way in which they have been asked to tender, is not fair. It seems to lean towards a person who may have the equipment for recycling within five or 10 miles of the resurfacing required.

The contractors felt, if the minister was to be calling tenders for resurfacing a particular section of highway, that a person who had been in the asphalt business should have the same opportunity to compete on the same basis. They feel that under the present circumstances they can compete with the present method of recycling of the road material.

Hon. Mr. Snow: When one looks back five years ago when new liquid asphalt from the refineries was \$30 a ton, recycling of asphalt was not something that could be supported economically. Economically it just did not work. Today, when liquid asphalt has escalated from \$30 a ton to \$200 a ton or thereabouts—

Mr. Haggerty: When you say liquid asphalt, you are talking about the oil.

Hon. Mr. Snow: I am talking about the liquid asphalt we buy from the refinery. I am not talking about asphalt pavement.

Mr. Haggerty: That is all right, go ahead.

Hon. Mr. Snow: I am talking about liquid asphalt we buy from the refinery to make the asphalt pavement. That material used to be about \$30 a ton delivered to our job site. Now it is \$200 a ton. That directly reflects in the cost of asphalt paving material.

I can tell you from personal experience, when I paved my driveway at my farm about 16 years ago, or something like that, I paid a paving contractor \$10 a ton. I did not ask for a lump sum bid and I did not want a bid bond. I just asked for a price. He gave me a price of \$10 a ton for asphalt laid on my driveway. If I wanted it yea thick or yea thick, I paid \$10 a ton. Whatever number of tons was used, that is what I paid for.

Last summer I decided I wanted to make the driveway look black again and cover up the cracks and so on. I got three bids—I have to go by the ministry policy. I got three bids to replace or put a topcoat of the same material on the same driveway. I had three bids, one at \$36 a ton, one at \$38 a ton and one at \$40 a ton. So you can see how the cost of the liquid asphalt, plus other inflationary factors, has increased the cost of a ton of asphalt pavement laid.

All of these economic factors, worked into the desire of the government to diminish our

reliance on foreign oil, have brought about a great change in the necessity to recycle existing asphalt which now we rip up, load up on the trucks and—instead of taking it to a dump and burying it some place as we used to do 10 years ago—it goes back into a stockpile, it gets crushed, goes into the asphalt mix with a certain percentage of new material and comes out as recycled asphalt.

10:10 p.m.

Mr. Kerrio: It needs considerably less petroleum—

Hon. Mr. Snow: I mean the old asphalt is still there. Now you, from the Niagara Escarpment and the gravel pit area—

Mr. Gilbert: I think, Mr. Chairman, when Mr. Haggerty raises this for specific contracts, as the minister said, it is our desire to move towards recycling. The association approached us in regard to several contracts we called on the basis that there were, as you say, bidders who were in a certain area and will be called for a certain amount of recycling.

They asked, "Why is it not possible to have an alternative bid to allow those people to bid?" Now Mr. Eady met with the association and agreed that in a few of these contracts we would look at them and change them to allow alternate bidding for these small amounts of asphalt. We are doing that with, I think, three or four contracts.

To be honest with you, we have told the association we are prepared to do that right now, but overall, we certainly want to move, as the minister said, more and more into recycling. I think on the contracts you are talking about we have already agreed—and it delayed the calling of them—to give an alternative bid at this time. Certainly, over all, we want to make more and more—

Hon. Mr. Snow: What we are saying is we do not want to waste that resource. I should send you a copy of the speech I made to the Asphalt Recycling Institute. We do not want to waste that resource.

If it makes more sense on small contracts to have the contractor pick up the waste asphalt, put it in a stockpile and use new asphalt because there is not a big enough quantity to recycle, then we just pick it up and put it in a stockpile. We do not waste it. When there is a contract

that makes sense, we crush it, put it back through the machine and come up with new asphalt.

Mr. Kerrio: Like eating leftovers.

Hon. Mr. Snow: Like making a stew out of last week's roast. My mother used to do that.

Mr. Haggerty: Without prolonging this any longer, the deputy has said they are being a little bit lenient in this area. We will submit the tender either way on it then. Where you feel you need 25 or 30 per cent of recycling, you will open it up so other asphalt contractors can get on it too.

Mr. Martel: We can make this short. My friend, the minister, indicated when George Gomme was minister, we took eight weeks on these estimates.

The second year, the minister said to me, "Tell me what road you want." I said, "I want that road between the Noelville and St. Charles." He said, "You've got it," and then I could quit.

If you are prepared to do the same thing, I will tell you what I want and I will quit.

Mr. Brandt: How long is the road?

Mr. Martel: The road is six and half miles. I want to ask the minister seriously—

Hon. Mr. Snow: Mr. Chairman, we will have to have a supplementary estimate for this.

Mr. Martel: I want it next year. As the minister knows—

Hon. Mr. Snow: If the honourable member would move that my estimates be increased by a certain number of dollars—

Mr. Martel: Could I say to the minister seriously for a moment, the area I am talking about has a lot of senior citizens. There is no public transit system.

Hon. Mr. Snow: Are they all Tories?

Mr. Martel: No, not very many, a couple. That is 535 from St. Charles to Highway 17.

Mr. Haggerty: How about UTDC?

Mr. Martel: I would ask for that, but at least we are not going to get that and I suspect we will—

Hon. Mr. Snow: Where did you say it was again?

Mr. Martel: From St. Charles to Highway 17. Hagar is the meeting point.

Hon. Mr. Snow: Hagar, that is halfway to Surgeon Falls.

Mr. Martel: Yes, but it is still in my riding. I have written to you and I have written to Leo. It is part of the five-year plan now, but I do not

know when the five years start and when they end. If it is anything like the Timmins highway, it took 35 years.

I would like the minister to simply indicate his plans, because it is five miles of rolling road; it is like a rollercoaster. The surfacing has to be redone; about a mile and a half north of Hagar there is no pavement at all, which is still your responsibility. I would say to the minister, I have not asked for improvement on a road in two or three years except by correspondence. Only this one road.

It is now part of a five-year plan. Could you, in your construction program next year, 1982, get that road reconstructed so those people who have to travel 40 miles each way to work and the senior citizens, where there is no public transit system at all, could have a decent road to get to Highway 17? That is the only thing I am asking for in Sudbury East this year.

It is bad. It has one bad bridge on it that is very narrow and when it is at all slippery you slide off the road. It is really disastrous.

Hon. Mr. Snow: Mr. Martel, you being one of the class of 1967, I take your suggestion very seriously.

Mr. Martel: Would you agree to build it this coming year?

Hon. Mr. Snow: From what I understand from you, you have been advised this is in our five-year program?

Mr. Martel: It is in your five-year program.

Hon. Mr. Snow: I will review the five-year program about next May.

Mr. Martel: No, do it now because I want it in this year's budget; the budget you are working on now.

Hon. Mr. Snow: No, I have to discuss this with the Minister of Northern Affairs (Mr. Bernier).

Mr. Martel: No, no, you and I will discuss it, okay? Let him look after northwestern Ontario. You and I will look after northeastern Ontario.

Hon. Mr. Snow: Next spring, as soon as the snow is off the ground up there, I will go up and we will have a drive down that road and I will talk to my colleague—

Mr. Martel: You and I will drive the road?

Hon. Mr. Snow: You and I will drive the road.

Mr. Mancini: I have a request too.

Mr. Martel: No, do not interfere. We are down to serious business here.

Hon. Mr. Snow: I am not coming to Windsor.

Mr. Martel: I respect my friend the minister.

Hon. Mr. Snow: When I have a problem like this I like to go out and look at it myself. I take my politician's hat off and I put my contractor's hat on—

Mr. Martel: As my friends knows, when he comes to my riding, even when he is not Minister of Transportation and Communications—

Hon. Mr. Snow: I remember you took me up to your riding one day to open a high school and there were snowbanks 12 feet high on both sides of the road. You flew up with me in the government airplane and you never complained a bit.

Mr. Martel: We drove back to the airport in my car and you and I came—

Hon. Mr. Snow: We did not have the jet. We had the Twin Otter.

Mr. Martel: I am serious about this road. It is really terrible. It is like a rollercoaster.

Hon. Mr. Snow: Well, Elie, you have been advised by my staff it is in the five-year program. I have a great deal of respect for my district engineer in the district of Sudbury. He is well trained and he spent two years in my office. Having spent two years in my office he has to be well trained.

The only thing I can suggest is that if we have it in the five-year program—I cannot tell you off hand from looking at my records here where it is in the five-year plan—

Mr. Martel: That is what I am afraid of.

Hon. Mr. Snow: —but I suggest that next spring, about May—when does the pickerel season open?

Mr. Martel: About May.

Hon. Mr. Snow: Before the black flies, you tell me, Elie. I mean you are my consultant in this.

Mr. Brandt: It is going to be a winding road, I will tell you that.

Mr. Martel: Here it comes. Here comes all the information.

10:20 p.m.

Hon. Mr. Snow: You tell me when we are going to inspect this and I will come there and you and I will drive this road. I want to see it if you say it is that bad.

Mr. Martel: It is. What feedback are you getting from your constituency?

Hon. Mr. Snow: At present my information is that this contract, which is contract number 5350030.78.010**GH**—

Mr. Martel: Forget all that crap.

Hon. Mr. Snow: —has an estimated cost of \$1,625,000. It is from Highway 17 to Hager southerly. It includes urban work in the St. Charles area, and it is a metric contract—17.4 kilometres. We are proposing at this moment to call that in late fall, around November 1983.

Mr. Martel: Oh, 1983? Oh, Jesus Christ. I am not even asking for anything else in Sudbury East.

Mr. Kerrio: That is settled, Mr. Chairman.

Interjections.

Hon. Mr. Snow: Mr. Chairman, just a minute. I committed myself to the honourable member that in the spring of 1982 I would come to his riding and we will look at that road. If he can convince me it is a higher priority than that and providing it is within the physical possibility of—

Mr. Mancini: When can you come to Leamington?

Hon. Mr. Snow: —accelerating the program, we will take a look at it. But it all depends on—

Mr. Martel: You and I have a date.

Hon. Mr. Snow: —what size the pickerel are.

Mr. Martel: I can arrange that too. If we are going to get a road, I can arrange the best pickerel fishing you want.

Interjections.

Mr. Chairman: Thank you, Mr. Martel.

Mr. Kerrio: We cannot let you catch pickerel in that river because you cannot eat them.

Hon. Mr. Snow: That was dead serious.

Mr. Runciman: Mr. Chairman, obviously this is not the night for serious questions, so I will pass to Mr. Kerrio. Go ahead. I will catch the minister later.

Interjections.

Mr. Martel: Do you know what he said about you and me, that we were not being serious; yet you were and I was. That new boy has got to learn.

Mr. Chairman: Mr. Martel, I will make a personal commitment that after every road in my riding is built your riding will receive consideration.

Mr. Martel: That is the last road I need.

Hon. Mr. Snow: Is that a commitment?

Mr. Chairman: That is right.

Hon. Mr. Snow: Mr. Runciman, tell me what you want.

Mr. Runciman: It is about Highway 16. I am just wondering what you have in terms of long-range plans.

Interjections.

Mr. Runciman: Do you have anything in mind for Highway 16 between Ottawa and Highway 401 for developing it into a four-lane highway?

Hon. Mr. Snow: That is under way. We have a program set up for between where it ends now and the old Highway 16. In the Ottawa district we have three contracts scheduled. The first one will go to contract this spring and the second later in the year. That will be the grading. Then there will be a paving contract following that.

Mr. Kerrio: Print 12,000 copies of the question and the same number of answers.

Hon. Mr. Snow: That will extend the present new Highway 16, as we call it, to two lanes up to old Highway 16 just south of Ottawa. From there on into the city of Ottawa it is up in the air. We have a study going on, and the National Capital Commission, my ministry, Nepean and other municipalities are involved in that study.

Mr. Runciman: You are planning on going four-lane, are you?

Hon. Mr. Snow: My commitment to eastern Ontario is that we will finish the two-lane highway to Highway 16. We will carry out a study on where we go from when we hit Highway 16 into Ottawa. I have two options. One is just connecting with the Queensway. The other is coming in and taking a right turn—I would never turn left—leading the traffic off into arterials into Ottawa.

Mr. Kerrio: I only need three minutes. I am like Zorro, zip, zip.

Hon. Mr. Snow: After we have developed the new two-lane Highway 16, then we will start at both ends, 401 and the Queensway, and we will work towards four-laning that highway. But this is all over a long-term period.

Mr. Samis: When will you do 138 as well?

Mr. Runciman: I have one more quick one, Mr. Chairman. It is not on highways, but I hope it falls in this vote. On winter navigation on the Seaway, there is reference made to it here.

Mr. Chairman: That has already passed. You cannot talk about that.

Mr. Kerrio: Mr. Chairman, thank you very kindly.

Hon. Mr. Snow: I am in favour of winter navigation on the Seaway—between Barbados and Grenada.

Mr. Kerrio: Mr. Minister, I have to tell you that when I first raised this problem and questioned you, you reacted in a very responsible way.

Hon. Mr. Snow: I always do. It is only that guy behind you who does not know—

Mr. Kerrio: That's right.

Hon. Mr. Snow: Perhaps you would educate him.

Mr. Kerrio: I will do that.

Hon. Mr. Snow: He is one of those little buggers who—

Interjection: Larry who?

Mr. Kerrio: Mr. Minister, I would hope that because we are celebrating today with the cigars that you might have a grandfather clause—

Hon. Mr. Snow: I don't even know the name of my new granddaughter yet. It was supposed to be Ryan James, but it did not work out that way.

Mr. Samis: We had to force the cigars out of you because it was a granddaughter.

Mr. Kerrio: I was thinking you might have a grandfather clause for bridges that were built in 1939. This structure has been standing there since the good Queen visited us to open that highway.

Hon. Mr. Snow: Her Majesty Queen Elizabeth I.

Mr. Kerrio: She would be embarrassed to see that old structure still standing there, where two cars side by side would touch the abutments on both sides.

Hon. Mr. Snow: What are we talking about?

Mr. Kerrio: The Sand Plant Hill where you drive up the escarpment from St. Catharines to Niagara. That railroad bridge has some federal government involvement, I suppose, but you cannot trust those feds any more than you can trust provincial Tories.

Hon. Mr. Snow: They are a rotten bunch of bastards.

Mr. Kerrio: I would like you to consider—

Hon. Mr. Snow: I always knew you were a Tory, Vince. You are just a misplaced, misguided Tory.

Mr. Kerrio: Politics is a little like religion. When you change, people lose a bit of respect for you. Believe me, I perform a very valuable function within my caucus to drag those left wingers back over to the right. I take the odd shot at those Socialists.

Hon. Mr. Snow: What happened to your leader? How come you had no control over him?

Mr. Kerrio: We have turfed him out now. We were talking about bridges.

Mr. Brandt: I'll tell you that is a great question.

Mr. Kerrio: Mr. Minister, we need a bridge on that Sand Plant Hill. You will have to agree that the Sand Plant Hill bridge—

Hon. Mr. Snow: We built a guardrail through there. You brought that to my attention about four years ago.

Mr. Kerrio: Now we have to get serious for one moment.

Hon. Mr. Snow: You ask for reasonable things. The member for Erie (Mr. Haggerty) wants a \$100-million tunnel; that I cannot do.

Mr. Kerrio: Listen to this comment I am going to make. We had many fatal accidents on that Sand Plant Hill until we put in the guard-rails and the lights and addressed ourselves to doing what I thought was an interim measure until we could do something substantial and rebuild that structure. I have to give you a great deal of credit for responding because that is pretty important to the people who travel that highway. We have not had a fatality in six years.

Hon. Mr. Snow: I have only been minister for six and a quarter years.

Mr. Kerrio: You see how long you have been working well?

The fact is that that bridge needs rebuilding. It is immediately adjacent to a travelled portion of the highway. I cannot think where there is another structure on all of the Queen Elizabeth Way that is now as outdated as that structure.

10:30 p.m.

Hon. Mr. Snow: I agree with you. As soon as I can possibly get to it I will correct the mistake Mr. Mitchell Hepburn made in 1936.

Mr. Kerrio: Thank you very kindly. Now the other question will be very brief.

Mr. Chairman: I think the time has expired, Mr. Kerrio.

Mr. Kerrio: This is very important as well.

Hon. Mr. Snow: May we carry votes 2401 through 2409?

Mr. Kerrio: Yes. You will carry them all as soon as I ask this question.

Mr. Chairman: Mr. Kerrio, time has expired. Why do you not ask the minister the question after we get through carrying the vote?

Mr. Kerrio: Oh, all right.

Votes 2601 to 2604, inclusive, agreed to.

Votes 2606 to 2609, inclusive, agreed to.

Mr. Kerrio: Thirty seconds. Mr. Minister—

Hon. Mr. Snow: No, we are 30 seconds over time.

Mr. Kerrio: Let me put the question quickly. I will file it and get it on the record.

Hon. Mr. Snow: Because you are a pilot and because you believe in soaring with the birds—

Mr. Kerrio: You will buy that. I want to put the question because it is very important.

Mr. Chairman: Do you want this on the record, Mr. Kerrio? We have already voted to report the ministry's estimates.

Mr. Kerrio: You cannot have the report.

Hon. Mr. Snow: Adjourn the meeting and we will carry on.

Mr. Kerrio: No. I wanted to get this on the record. You have done me a real injustice. Yes, you have.

Mr. Chairman: We will allow Mr. Kerrio to get this on the record.

Mr. Kerrio: I sat here for a good long time. That is a grave injustice you have done me, I tell you.

Hon. Mr. Snow: Carry on.

Mr. Chairman: Mr. Kerrio, if you wish to get this on the record, we shall allow you to get it on the record.

Mr. Kerrio: It does not have to go on now because it can go on the concurrences.

Mr. Chairman: Go ahead.

Hon. Mr. Snow: No, we don't want that. We can get it all done right now.

Mr. Kerrio: I have a gentlemen who caused me—

Hon. Mr. Snow: Oh, that Conservative you told us about.

Mr. Kerrio: That is right. I think we have to respond to people who would ask important questions as it relates to experience.

Hon. Mr. Snow: I always respond to people who ask important questions.

Mr. Kerrio: This gentleman, Franklin Miller, was a former mayor of Niagara Falls. He spent many years on the police force in Niagara Falls before he was the mayor. I think he was a

Progressive Conservative candidate. The gentleman, in his retiring years now, asked me to put a question to you. I say in all conscience that those are the kinds of things from experienced individuals that are meaningful.

He suggested that in his experience as an officer of the law Ontario was quite far behind other jurisdictions in not making it mandatory for people who drive under adverse conditions to put on the car's headlights, as you have done with motorcycles. I wanted to get it on the record because he has called me on two or three occasions. I said, "Mr. Miller, I shall put that question to the minister and get his response."

Hon. Mr. Snow: I will tell you very quickly because we only have two minutes left within our five-minute leeway. The present legislation of the Highway Traffic Act calls for the lights to be on from a half hour after sunset to a half hour before sunrise.

Mr. Kerrio: Does it relate to any kind of—

Hon. Mr. Snow: I propose to change that, to reverse it. The lights shall be on to a half hour before sunset to a half hour after sunrise. When visibility is reduced by snowstorms or Liberal or NDP fog, our requirements call for—

Mr. Kerrio: That is exactly the point he wants to make.

Hon. Mr. Snow: For any other reason, if there is a bunch of NDP crap floating across the road, you have to turn on your lights.

Mr. Kerrio: That is very important, yes.

Hon. Mr. Snow: They have all left. I am working towards that. We have not decided to go to lights on all day, every night, day and night.

Mr. Kerrio: No. I think his point is valid and well made.

Hon. Mr. Snow: But we have changed our thinking in the present Highway Traffic Act, namely, to reverse the half hour after sunset and a half hour before sunrise.

Mr. Kerrio: And in some ways to restrict it to weather.

Hon. Mr. Snow: We have added an hour in the evening and morning. Then any time visibility is decreased because of fog, snow or anything like that, lights should be on.

Mr. Kerrio: I would like to take the Hansard down there and tell them that the minister is still being very responsible.

Hon. Mr. Snow: I hope I am strong in Hansard. You take that to him and report to him that we have looked after the situation.

Mr. Chairman: This completes the estimates of the Ministry of Transportation and Communications.

The committee adjourned at 10:35 p.m.

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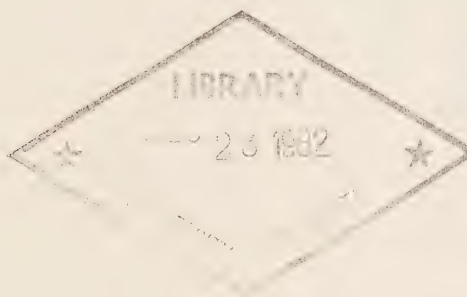
No. T-1

Legislature of Ontario Debates

Official Report (Hansard)

Standing Committee on Regulations and Other Statutory Instruments

Estimates, Ministry of Transportation and Communications



Second Session, Thirty-Second Parliament

Monday, November 29, 1982

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Monday, November 29, 1982

The committee met at 8:03 p.m. in room 151.

ESTIMATES, MINISTRY OF TRANSPORTATION AND COMMUNICATIONS

Mr. Chairman: Now that we have a quorum, I suggest we get started. We have with us the Minister of Transportation and Communications (Mr. Snow) and his very capable deputy, Harold Gilbert.

Mr. Samis: You really fumbled on that one.

Mr. Chairman: It is not the first time and it will not be the last either.

I would like get the feeling of the committee from the outset as to how you wish to proceed. We have 15 hours for these estimates. We will not be sitting this Thursday morning with respect to these estimates because this committee has three or four private members' bills to deal with. I believe the minister is otherwise occupied in any event.

As I have calculated—and somebody can correct me if I am wrong—to complete these estimates by the end of the week of December 17, which is a Friday, we would have to sit one extra two-and-a-half hour session. That would be either a Monday afternoon or a Thursday evening. I would pleased to go to the House leaders and ask them for that permission, whatever the wish of the committee is. Would you prefer to sit on a Monday afternoon or a Thursday evening?

Mr. Samis: What is the schedule now? Monday and Thursday, is it?

Mr. Chairman: Monday evenings and Thursday mornings, two-and-a-half hours each time.

Mr. Cunningham: How about a Monday afternoon?

Mr. Samis: I agree with Mr. Cunningham. I would prefer a Monday afternoon.

Mr. Cunningham: I was thinking of the staff involved.

Mr. Chairman: Monday afternoon seems to be the consensus. I will ask for either December 6 or December 13, if that is all right with you, Mr. Minister.

Hon. Mr. Snow: I am sure we can do it either day. I have not got my book here, but I am sure we can. There is nothing I am out of town for or anything else.

Mr. Chairman: We will look into that. I would propose to open with the opening statements of the minister and the opposition critics and go from there. As usual, we will have a rather wide latitude on the first vote. Before we get started, I would like to ask the committee members which agencies under this ministry they would like to appear before us, so we could try to tentatively schedule their appearance some time in the next three weeks. What do committee members have to say about that?

Mr. Cunningham: In contemplating this, I took a look through them. I do not think—at least for the purposes of my party anyway—we will require Mrs. Bielski and the Ontario Telephone Service Commission. It is not that I do not think it is important, but as we reduce the number of community telephone operations in the province, the ones that are left seem to be marginally more efficient than the ones we had before. I do not seem to get the kind of complaints I used to get. For my part, and I think Mr. Samis would concur—

Mr. Samis: We would agree with that.

Mr. Cunningham: —that we do not require that.

Mr. Chairman: You would require the other three, but not that one?

Mr. Cunningham: I think it might be helpful to have a brief appearance by the chairman of the Ontario Highway Transport Board, although I would serve notice right now that, for my part, I do not intend to get into the extensive dialogue we have had in the past on that subject, especially as we contemplate the Public Commercial Vehicles Act review committee. There are others that are far more important than having the chairman of the board. Quite frankly, notwithstanding some specific concerns I have, the board seems to be running fairly well. While it might be helpful for other members if they have had the odd complaint, I do not anticipate that

we would go on at any length on the highway transport board.

Mr. Samis: I would agree with that, Mr. Chairman. I think the time will be rather brief. I think it would be wise to plan for more time for people from the Urban Transportation Development Corp. and probably the Toronto Area Transit Operating Authority. I would agree wholeheartedly with my colleague on the transport board. I do not see that needing much time here. They should come, but for a very brief period.

Mr. Chairman: Mr. Minister, do you have any comments?

Hon. Mr. Snow: Whatever the committee wants. If we could decide when they would like to have these different agencies appear, then we will arrange to have them here.

Mr. Gordon: Mr. Chairman, I would like to see some time spent on northern Ontario highway development, in particular, between Sudbury and Toronto. I would like a breakdown as to moneys that have been spent over the past 10 years in that area. I would also like to know what kind of accident rates we have and I would like to know what the plans are for the future.

Mr. Samis: Those would always come up later on, not right now surely.

Mr. Gordon: We were talking about time. I thought you said it was time to do that.

Mr. Samis: Yes. We are talking about whom we should ask in here.

Mr. Gordon: I think we should ask the engineers and the people who are responsible for that part of the north. I think we should have the southern Ontario boys in as well. We might just find out what is going on.

Mr. Chairman: Thank you for those comments, Mr. Gordon. Would the consensus of the committee be—and I am not trying to dictate what is happening—that we allot one two-and-a-half hour session to TATO and UTDC apiece? Would that be adequate in the committee members' eyes, so we do not have to tie up their time?

Mr. Hodgson: Agreed.

Mr. Samis: Hold on. I really do not know.

Mr. Chairman: I am just trying to schedule this thing.

8:10 p.m.

Mr. Samis: I can appreciate what you're saying. I think we have to be a little careful this year with the developments, especially in Metro,

as to whether two and a half hours will do it for each. It might, but I don't think we should tie our hands at this stage.

Mr. Chairman: Why don't we start off on that basis.

Mr. Samis: On that basis, yes, but with some flexibility.

Mr. Chairman: If extra time is needed and that is the consensus of the committee, then we will proceed from there at that time.

Mr. Cunningham: Did you say that you were contemplating sitting next Monday afternoon?

Mr. Chairman: Either next Monday or the following Monday.

Mr. Cunningham: I was going to suggest that it would be wise in terms of scheduling to start with the Ontario Highway Transport Board vote. We could get into that under the item on safety and regulation next Monday as early as we can in the afternoon. I don't expect, for my part, I'll have that many questions. I don't know about Mr. Samis or the other members. We could dispose of that matter so the staff aren't kept hanging around.

After that we could move into the Urban Transportation Development Corp. vote. If necessary, if that goes through the supper hour, at least they could be back at eight o'clock and would not have been inconvenienced unduly. Then we could move right on to highway votes and the balance of the estimates, if that would suit Mr. Gordon, of course.

Mr. Gordon: That sounds reasonable.

Mr. Samis: Why are we necessarily committing ourselves to next Monday as opposed to December 13? We haven't cleared that one up yet.

Mr. Chairman: That's a good point. We will have to deal with that first. I don't anticipate any problem getting permission to sit either next Monday or the following Monday. Why don't we shoot for that? If we can't do it next Monday, then we'll do it the following Monday.

Mr. Samis: Who is this guy?

Mr. Chairman: Mr. Kerrio, it is nice to have you here.

Mr. Samis: We don't know at this moment whether we're going to sit next Monday afternoon or not then?

Mr. Chairman: That's correct.

Mr. Samis: When will we know that?

Mr. Chairman: We will probably know that by tomorrow. It will be on the Order Paper.

Otherwise, we will just do what we were going to do next Monday afternoon next Monday evening. Is that agreed?

Agreed.

Mr. McLean: I think we should find out what we're going to do because I think we need to tell people from the ministry whether we're going to meet in the afternoon or in the evening.

Mr. Chairman: We're certainly going to find that out, but we won't know that until tomorrow.

Mr. Kerrio: We are not here for the ministry. We are here as a committee. We have got no convenience for the minister at all. We sit here as a committee and the minister comes here and presents his estimates.

Mr. Chairman: We will ascertain tomorrow whether or not we can sit next Monday afternoon. If we cannot sit next Monday afternoon for one reason or another, we will schedule these two boards or agencies for Monday evening instead of Monday afternoon.

Hon. Mr. Snow: You don't want two of them the same evening.

Mr. Chairman: It is suggested that we do the Ontario Highway Transport Board and we'll be relatively brief with that. Then we'll move right into—

Hon. Mr. Snow: If it goes like it does most other years, by the time we get through tonight, and I have not got a long statement and I don't know what kind the critics have, I will need some time to respond to them before we go on, just trying to respond to their comments, which usually runs into the second session.

Mr. Samis: I would tend to lean towards December 13 as the best day for the Urban Transportation Development Corp. people.

Mr. Cunningham: December 13.

Mr. Samis: Why don't we put the transport people on next Monday?

Mr. Chairman: December 13 is agreed on. We'll have the transport people here next Monday evening.

Hon. Mr. Snow: That's December 6, the evening.

Mr. Kerrio: Is that okay with Mr. Hennessy?

Mr. Hennessy: Sure.

Mr. Hodgson: Next Monday evening is the inaugural meeting of most of the municipal councils. I, for one, won't be here next Monday evening.

Mr. Samis: On December 13?

Mr. Hodgson: No, next Monday evening.

Hon. Mr. Snow: The committee is sitting next Monday evening anyway. We're not changing that.

Mr. Hodgson: Go ahead. I won't be here.

Mr. Cunningham: I want to make sure that we schedule UDTC when Mr. Hennessy can be here.

Mr. Chairman: December 13 was what Mr. Hennessy indicated.

Mr. Cunningham: I am very agreeable to that.

Mr. Chairman: How would you gentlemen wish to proceed through the votes? Do you want to allocate time to each or would you rather just proceed and see where we get, realizing that when the 15 hours expire we are going to have to call for the question on all the votes?

Mr. Cunningham: You don't have to make any arrangements with me. Just proceed through numerically with all the members trying to do the best they can, being responsible and not wasting time.

Hon. Mr. Snow: You want the Toronto Area Transit Operating Authority and Urban Transportation Development Corp. on December 13, one in the afternoon and one in the evening.

Mr. McLean: We are not meeting then on December 6?

Mr. Chairman: We have to meet in the evening of December 6 but not in the afternoon. Please proceed.

Hon. Mr. Snow: I will have the highway transport board here for the evening of December 6 because I do not think they will take that long and that will still give us time to respond. Then Thursday morning, December 9, we would just do regular estimates.

Mr. Chairman: Correct.

Hon. Mr. Snow: We could do the road program or whatever.

Mr. Chairman: Please proceed.

Hon. Mr. Snow: Thank you very much, Mr. Chairman and members of the committee. It is a pleasure for me to present again my estimates to this committee, this time for the 1982-83 year for the Ministry of Transportation and Communications.

I am sure you all know that the ministry has a very broad base, with programs in safety and regulation, provincial highways, provincial transit, municipal transit, municipal roads, air, rail, marine and pipelines and communications. The ministry employs some 9,600 people throughout

the province and has a current annual budget of over \$1.4 billion.

The ministry organization consists of the head office, located at Downsview, which is predominantly responsible for policy planning and development, and a decentralized program of delivery functions operating from five regional locations—London, Toronto, Kingston, North Bay and Thunder Bay.

In response to a request made earlier at the public accounts committee meeting, I had copies of the 1982-87 strategic planning guidelines distributed to committee members last week, guidelines that were prepared in the spring of 1981 for the five-year period starting April 1, 1982. For those who are interested, I am also making available copies of the 1983-88 guidelines which were prepared this past spring. However, I would point out that the 1982-87 guidelines are the basis of the estimates that we will be reviewing over the next few weeks.

These guideline documents do not contain specific details about ministry operations. They are intended to give an indication of the issues that lie ahead and the strategic direction the ministry will be taking over the next several years. From these documents, you will recognize that a comprehensive policy planning process is in place in the Ministry of Transportation and Communications, a process by which we plan and manage our activities, both within the programs and at the corporate level.

I might add that we recently reorganized the ministry's management structure to complement and better reflect our strategic direction. The ministry has recognized the role it can play with respect to contributing to economic development in the province and is actively pursuing this challenge both through the Board of Industrial Leadership and Development program and ongoing ministry programs.

We have several major projects planned or under way, including the twinning of the Burlington Skyway and the major freeway projects around Metro Toronto, namely, the extension of Highway 404, continuing construction of Highway 403 and the commencement of Highway 410. I might mention at this moment that on Thursday morning for anybody interested we are having the official opening of Highway 403 out in Mississauga. The last section has just been completed.

We also have the start of construction of Highway 416 in the Ottawa-Carlton area; the construction of the advanced light rapid transit system in Scarborough; the plans for interre-

gional rapid transit for Metro and surrounding areas; the construction of special bus ways in Ottawa-Carlton; and the construction of a major development road to serve the new mine at Detour Lake.

I would also add that these estimates cover the completion of Highway 402 from Sarnia to London as well as the Norris Whitney bridge in Belleville. Those two projects have been completed just this year. Other activities in the area of economic development include the transfer subsidy payments made specifically for municipal airports, municipal roads, municipal transit systems and municipal bridges. Also, the ministry makes many direct expenditures on research and development activities such as the new articulated buses that are being delivered to selected Ontario municipalities at the present time.

8:20 p.m.

In addition to these activities, which certainly contribute to economic development, we are also pursuing several other ministry objectives in the areas of public service, improved goods movement, improved effectiveness of program delivery, preservation of the province's major investments in the highway infrastructure and public safety. I would like to comment on some of the activities we are undertaking in pursuing these objectives.

We have formed two specific committees to deal with intercity public transportation. The bus committee involves both staff from my ministry and industry representatives. It is examining the whole future of intercity bus service in Ontario. The rail committee, involving representatives from my ministry and Via Rail, is examining potential problem areas and attempting to resolve them in advance.

There exists a potential time and dollar savings to the public if we could introduce intermodal passenger terminals where people using the train, intercity bus and local urban bus could easily transfer. We are working with both bus and rail carriers and we expect to be working with a number of municipalities. At present we are engaged in feasibility studies in Windsor and Sudbury.

In response to the cancellation of the Via Rail service serving Metro, we have introduced expanded GO service and constructed additional commuter parking lots. With regard to improved goods movement, we are continuing to establish additional reciprocity agreements with US states for commercial vehicle registration. The ministry is also actively involved in

negotiations between Canada and the US to ensure the protection of Ontario and Canadian trucking interests in the US.

As most of you from rural constituencies are aware, we have announced and will be implementing next January 1 new subsidy arrangements for townships based upon a needs/resources assessment. This will provide a more equitable distribution of the subsidy funds available for township road systems, and those townships which are suffering from poor economic conditions will benefit. The emphasis on highway maintenance and rehabilitation of the existing system will continue. As I mentioned earlier, we have implemented some reorganization within the ministry and the operation and maintenance of the highway system have received a higher priority.

In fact, it is interesting to see President Reagan has recently announced a federal program in the United States to assist in this area. My ministry, as you are aware, placed high priority on the infrastructure in regard to roads and, in particular, structures several years ago, as funds became increasingly scarce for both the King's highway program and our aid to municipalities. As a result, I do not think that we have as acute a problem by any means as they are experiencing in many areas of the United States.

Within a couple of months I expect recommendations from the truck safety commission that will address a number of issues that we have been facing with respect to the safety of trucks on the highways. Turning to the regulatory side of the trucking industry, several days ago I tabled in the Legislature a discussion paper on responsible trucking, an interim report of the Public Commercial Vehicles Act review committee. This is a product of a full year's very extensive work to investigate the principles upon which the government should develop legislation for the regulation of the trucking industry over the next two or three decades. We have asked for feedback and further discussion, from which we intend to develop suitable mechanisms for regulation that are both practical and implementable.

Another recent development within the ministry occurred early last October when I made the announcement of the interregional rapid transit strategy for the area between Oshawa and Hamilton. The development and implementation of these transit solutions to the traffic congestion problem will have a major economic impact on the province, both in the construc-

tion of the infrastructure and in a more efficient transportation network.

As I mentioned at the time, the first priority is the extensions of GO service in the Pickering to Oshawa and Oakville to Hamilton areas. I am hopeful the actual construction will begin on these in the not-too-distant future. I am pleased to report ministry staff and GO transit are well advanced in plans for the design leading to the construction of this project.

Some of the other major thrusts MTC is pursuing include the interests of Ontario in maximizing marine transportation opportunities. We are in the process of retaining consultants in co-operation with Transport Canada to undertake a provincial ports study to define a long-term strategy for port development in Ontario.

In the communications program we are continuing to represent the interests of residential and business users, suppliers and manufacturers of communication services, as well as pressuring the federal government for a realignment of federal-provincial responsibilities. In preparation for this possible development, a new Ontario telecommunications act will be introduced. In addition, we will be working with the new technology centres developing public awareness of the role communications technology will play in our lives in the years ahead.

We are very aware of the role the telecommunications equipment manufacturing sector will play, both from an economic as well as a social point of view. The use of teleconferencing to complement transportation has become very popular, both within private industry and the government. We anticipate even more popularity in the future. I am pleased to say my ministry is making use of this technology to increase productivity and cut travel expenses.

I trust I have given you a good overview of some of the major activities being undertaken by my ministry. We have again this year limited time available to us to consider our estimates. Mr. Chairman, I would welcome your comments, the comments of my critics and members of the committee. I will complete my statement now and proceed with the consideration of the estimates.

Mr. Cunningham: Mr. Chairman, I appreciate the comprehensive but brief remarks from the minister in his opening statement.

Hon. Mr. Snow: Were they brief enough for you?

Mr. Cunningham: Just fine. Mr. Minister, you

are not announcing any more grandchildren tonight or anything like that?

Hon. Mr. Snow: Not that I know of. I forgot about that one. No, there is not another this year. He is slowing down.

Mr. Cunningham: I will not comment on that; I am in no position to comment. I appreciate the opportunity as critic to review your estimates this year. As I contemplate what I guess is the sixth or seventh set that I have been through as critic, I am mindful of the general lack of usefulness of this process, but I cannot blame the ministry for that entirely.

Strategic Planning Guidelines 1982-87 contains a speech from the deputy minister, Mr. Gilbert, given on April 8, 1981, to a senior management seminar at the Meadowvale Inn in Mississauga, which I have never been to. On page 13 of his remarks, Mr. Gilbert refers to the possibility of freedom of information legislation—God forbid it ever coming to the Legislature—requiring what he referred to as “demands upon on all of us for greater openness with the public” and calling for “practices which differ from what we do now.”

I am not in a position to determine what we do now and what that reference was. Incredibly, notwithstanding that statement and a number of calls from my office, the estimates briefing material arrived in our office on Wednesday. I should say to you that every member of the Legislature has now received a copy of some briefing material from the Minister of Agriculture and Food (Mr. Timbrell) for his 1982-83 estimates. Every member has obtained one of those. I do not know whether every member has obtained the briefing material to which we are referring to today, but as critics—and I checked with Mr. Samis—we obtained our material, I think, on Wednesday.

The estimates process really is the only opportunity for members of the Legislature to examine the stewardship of this ministry, a ministry that spends approximately \$1.4 billion, or any ministry. This examination barely lasts 15 hours and is done without a large amount of research resources. Regardless of the existence of freedom of information or not, one would think briefing books and materials should be more readily available to members of all parties. In fact, what might be a useful endeavour would be to have a briefing session in advance of the estimates.

8:30 p.m.

Notwithstanding my negative comments here at the outset, I think the tenth anniversary of this ministry last year served—from my perspective anyway—as an impetus to re-evaluate the goals and responsibilities of what I regard as one of our most important ministries. Having participated in these estimates many times, I want you to know that I sense the various and diverse aspects of this ministry are better co-ordinated than probably ever before and with few exceptions, particularly the highway transportation program, they are generally very well co-ordinated.

In my own constituency I am pleased to note a number of highway improvements that have taken place. Highway 6 is much improved all the way to Freelon.

Hon. Mr. Snow: And Highway 97 too.

Mr. Cunningham: I am getting to that. You would not want to cut short my complimentary comments, would you?

We still have, unfortunately, some accidents that continue to take place. I checked the accident statistics and, quite frankly—and I could be corrected by your staff; I have been in the past—on balance I believe that section of Highway 6 from Highway 403 to Freelon runs commensurate with the provincial average in terms of a highway of that category in fatalities and accidents. Notwithstanding that one of our local papers refers to it as a killer highway, I, for my part, prefer not to refer to it as that. With a little better lighting possibly and improved attention on the part of the drivers, we would probably see some improvements on that highway. We have had a number of tragedies.

My wife and I were out there on Sunday, you would be interested to know, and a Shetland pony crossed our path at one of the four-lane sections of the highway. It was interesting. My wife suggested I get out and help the lady find her horse, which I did. I do not know whether it was worth two votes or not. If the horse were enumerated, maybe it would help.

On Highway 97, as you referred to, the improvements are very much appreciated. The speed limit, I am advised, is just a touch low, but I am not going to suggest that we raise it lest we have some accidents there. I am advised that some school teacher friends of mine have been stopped by the regional police, on a provincial highway, and advised that they had been speeding. None the less, I am very pleased to see the upgrading of that highway, a matter which I raised a number of years ago, is now a reality.

Highway 52 improvements are scheduled, and I gather open houses are being held now—maybe tomorrow night. I appreciate the consolidated effort that is going on in that regard. I would like to record, as well, my appreciation to one of your staff members, Lynda Boyde, who took time out to meet some of my constituents on the subject of Highway 403. I have written to you on that subject. I know we are not on the highways vote, but I thought I would get this off my plate lest I forget. I have written to you on behalf of people in Ancaster requesting an interchange there. I know that some of the folks who live right by it are not too fussy about it, but it is one of those situations where for the best interests of everybody some form of interchange should take place there.

Hon. Mr. Snow: Is that Fiddler's Green?

Mr. Cunningham: Yes. Notwithstanding a little bit of local objection there, I stand by my commitment to work to see that become a reality. I think it would be helpful to us when our airport at Mount Hope becomes a reality, although I do not think that the concerns of the residents in terms of massive amounts of traffic are as well based as they would think. None the less, I appreciate the efforts of your Lynda Boyde, who came out to meet our people and attempted to clarify some of their concerns.

Finally, I know that members from Brantford (Mr. Gillies) and Brant-Oxford-Norfolk (Mr. Nixon) and myself welcome the long-awaited improvements to Highway 403 east and west and we appreciate the fact that that program has been somewhat accelerated. If we can resist the urge to put a four-lane highway through the village of Watdown where I live, I would be more than satisfied on the highway subject.

Hon. Mr. Snow: Pardon me. Would you repeat that again? Are you for or against it?

Mr. Cunningham: I will read what I wrote in longhand here because I do not have a great staff to type these things out. I said if we can resist—and I have “resist” underlined in red pen—the urge to put a four-lane highway through the village of Watdown where I live I will be satisfied to some extent. I hope that would be clear, if not to you then to everyone else, that we don't want a four-lane highway through the village of Watdown. I would like that matter recorded quite clearly.

I would be remiss if I did not thank you and the people on your staff for responding very quickly to my suggestion that we set up GO

parking facilities on a piece of property at the south end of Highway 6, at Highway 403, in the Burlington area. While it's not in my constituency, my constituents use it.

I want you to know it is a pretty good parking lot. It is all paved, with white lines on it; it's nicely curbed, and I'm sure it will be nicely ploughed in a couple of weeks. I want to assure you that it's well used. If I can make a suggestion, that kind of thing at appropriate places throughout the province, little lots like that, can serve as great commuter meeting places and could be very helpful.

I know the minister has been concerned in the past about my preoccupation with certain parts of the ministry: the expense of dealing with highways, which this year will consume \$516 million, and the municipal roads program involves a further \$483 million, I see. If you were to include almost \$200 million for municipal transit, you would have accounted for roughly 80 per cent of your ministry's expenditures.

As in the past, I would like to deal with the operation of the Ontario Highway Transport Board in brief, more particularly, the ever-contentious issue of regulated transportation in Ontario through the Public Commercial Vehicles Act—more appropriately the latter. I also have some concerns about our safety administration program. In addition, as usual, I would like to examine in some detail the operation of the Urban Transportation Development Corp. Ltd.

I read with interest the interim report by the Public Commercial Vehicles Act PCV review committee and, frankly, I was impressed with the desire by the government to involve a large number of people from various sectors to provide input on the review of the PCV Act. While they neglected to credit publicly the select committee on the highway transportation of goods for stimulating what I would regard to be innovations in new areas of regulatory law, in my view the committee is really off to a very good start.

Particularly now, in view of the situation with the Interstate Commerce Commission and what I would characterize as the American disposition, there is no question that Ontario is in a very complex and difficult position as it relates to our relationship with the United States, particularly with the new ICC regulations, or US law, which have recently imposed a two-year moratorium on trucking licences for Canadians.

I still think transportation law in Canada

remains generally a confusing proposition, divided between the provinces and the federal government in part. Our control-of-entry situation is something that obviously needs to be re-evaluated. To be fair to the Ontario government, while the highway transport board may seem to be somewhat bureaucratic and somewhat slow, I tend to think that the action taken in the United States had more to do with its collective concerns about the Foreign Investment Review Agency and the national energy program than some perceived difficulties at our highway transport board.

I am mindful that not that long ago the vote in the US Senate on this subject, ordering this moratorium to which I have referred, was 85 to five. It is unprecedented for Canadians to request through our federal government that the President of the United States not sign or veto an item of legislation.

We referred to it at the federal level as "unnecessary, unwarranted and potentially harmful to international commerce." This whole matter has precipitated what I would characterize as a bit of overreaction by all parties.

The executive director of the Canadian Trucking Association, Mr. MacLaren, characterized the US initiative as "an act of war," urging retaliation by provincial authorities. Thankfully, our authorities, and to the best of my knowledge, others in Canada have been somewhat reticent to take up Mr. MacLaren's urging of retaliation. This would, of course, not assist either country, but as a trading nation it would be a very terrible thing for us, particularly Ontario, if what I would characterize as a temporary situation were to be exacerbated. I am hoping that whatever regulatory changes we are contemplating may minimize the extent of difficulty.

8:40 p.m.

I am mindful, at the same time, that cross-border trade between Canada and the United States in 1974 was \$40 billion—and these are the most current statistics I have—and at that time it was the greatest amount between two countries in the world. Two thirds of all Canadian exports go to the United States, while over 20 per cent of US exports find their way to Canada. It is very clear that in that kind of situation both countries will lose, particularly Ontario, the heart of the manufacturing sector of Canada.

A practical solution in Canada is somewhat complicated by the fact that our regulation of transportation has been decentralized, while in

the United States it is done on a centralized basis, so we cannot really look to Ottawa for a solution in terms of the regulation of transportation, notwithstanding various acts that are in place. We might hope that there are some improvements to the Foreign Investment Review Agency and to the national energy program. I say that to you as a Liberal.

Mr. Samis: That sounds like the Tories.

Mr. Cunningham: Not really. They would scrap both; I would not.

Mr. Kerrio: One of these days we'll improve both of those areas.

Mr. Cunningham: That's not a bad point actually, but I would think there is a lot we could do with both those areas, possibly, to minimize the concerns the Americans have had. When President Carter determined in 1980 that he was going to basically deregulate in the United States, the writing was really on the wall for us here.

I am not for a moment going to suggest that we have to respond immediately and that our policies should be dictated by what goes on in the United States under any particular government. At the same time we have to be mindful of the reality down there.

I would be reticent as well to suggest that the regulated trucking industry in Ontario become the scapegoat for these new policies in the United States. For my part, I would like to see a streamlined transport board, even more streamlined than what we saw after the recommendations of our select committee in 1976 and 1977.

Again, as I have expressed in previous estimates, I would hope that, for the most part, some of the governing philosophy there would be less concentration of ownership, Canadian ownership where possible, energy conservation, public safety and, most important, competition and free enterprise.

Mr. Kerrio: Wouldn't you think that a minister who has made it himself in the free enterprise system would be in favour of that?

Mr. Cunningham: That's why he is the minister.

Mr. Kerrio: What makes it more incredible is that he loses all commitment to free enterprise.

Hon. Mr. Snow: Never.

Mr. Kerrio: I'm worried to hear you say that.

Mr. Chairman: Please try to control your own members, Mr. Cunningham.

Mr. Cunningham: I'll do the best I can.

I sense that this American conflict at the ICC to which I referred may well be resolved, if it is not resolved already. The minister's staff may

be in a position to tell us that, either tonight or in the near future. This is a second chance for us, and I hope that we could move as quickly as possible in regulatory reform in our own jurisdiction when the PCV Act review committee is in a position to report.

My comments would be somewhat incomplete in a general way if I didn't comment, at least peripherally, on the BILD initiative that this government seems to give more credence to than the King James version of the Bible.

I must be somewhat negative here, but the government must really think the public are fools when they see the promotions of initiatives such as, if I can use an example, Highway 97. People have been waiting for those improvements since Mitch Hepburn was thrown out of office, really. To see them now, all wrapped up and put in a big blue bow, a great blue sign with every name but Claude Bennett's on it, suggesting that this is a BILD initiative, frankly, is beyond the pale. The minister seems to be the only guy whose name is on the sign who doesn't appear to be a leadership candidate, although he may be, too. I don't know. The signs really are a joke.

Hon. Mr. Snow: I'm just assessing my support.

Mr. Cunningham: I'm mindful of your ability to raise money, but I won't get into that tonight.

Mr. Kerrio: He's got Grossman as manager.

Mr. Cunningham: If Jimmy runs, there will be no money left for Grossman, but that is neither here nor there.

I really think that this ministry, above all, especially in view of the commitment to integrity that they express in their strategic guidelines and the general *raison d'être* for the ministry's existence, should demonstrate some independence and really not get conned into this superficial, glossy, useless shell of a program that is a sorry spectacle for economic renewal.

Frankly, the only winners in this whole BILD program are the people who print up those fancy blue signs. I really laugh when I go past some of these highway signs that say "another BILD initiative." They have been in your capital program for a minimum of five years. To give BILD, whatever it is, some credit is really a joke.

The BILD expression, as stated here in your strategic guidelines relating to transportation, is worth noting. They say that "Ontario will promote vigorously the development and adoption of transportation systems which conserve energy, reduce oil consumption and build on the effectiveness of Ontario transportation tech-

nology." I can only say I hope that last reference is not to the Urban Transportation Development Corp. These are nice lines in glossy print, but hardly credible from a government that has been in power for 40 years.

There are some positive initiatives in the ministry that, in my view, could be advanced or accelerated to accomplish these goals, but again I would say to you don't cheapen them by tagging them BILD, with a blue sign and some elaborate ribbon cutting. I am referring specifically to public transit improvements, accelerating the computerized traffic control program, the provision of turning lanes, the acceleration of necessary highway programs like Highway 403.

I have often wondered how many millions of gallons of gasoline—or should I say litres, because I note by your road maps that, unlike your federal counterparts, you people are prometric; your federal counterparts do not appear to be—are wasted by people in Ontario waiting to make their left turn or their right turn, especially in urban environments. I raised this, I think, three years ago in your estimates.

In these difficult economic times, if governments are to do anything, a lot could be done to computerize traffic flow, whether it is in Sudbury or Cambridge or Niagara Falls or even in the village of Waterdown, and to encourage advanced and delayed traffic signal systems. I think a lot could be done to improve the movement of traffic. In these difficult economic times you might as well make that commitment now and provide jobs.

In your strategic guidelines book you also have BILD comments on the subject of communications, advising that "it is important that Ontario regain lost ground and move to the forefront of microelectronics technology." It sounds great in print, but the reality is that in your own communications budget you are spending \$2,492,000, which is roughly one seventh of one per cent of the ministry's budget.

The federal government, for reasons I cannot understand, has discontinued a great amount of rail service in Ontario, particularly in northern Ontario. For my part, as one who firmly believes that we should be staying with our rail system and promoting it where possible, marketing it and using the infrastructure that is already there and building upon it, mindful that we are probably going to be able to use it, quite clearly, I find that to be a regrettable step by the federal government. You can take those comments as objectively as I can advance them.

8:50 p.m.

These are areas that desperately could use some renewed interest in the development of rail systems. We are not in a position to satisfy that rail need as a province. We should be contemplating the development of roads for basic survival, particularly in northern Ontario. This afternoon, during the course of the no-confidence debate, the former Speaker, Mr. Stokes, was talking about the necessity to improve snowmobile trails to more areas of his constituency so that in winter and in times of bad weather they can at least get the elements of basic survival to the people who, for one reason or another, live there.

I would like to very briefly make some comments with regard to Ontario's biggest socialist white elephant since Suncor, that being the Urban Transportation Development Corp. We will have an opportunity to talk about it in some more detail, but I find, for my own purposes, that this outfit is becoming less accountable than Ontario Hydro. There is no question that the operation of the UTDC today is far beyond the original mandate.

I would encourage you to go back and look in Hansard—in fact, I might even commend this to the member for Fort William (Mr. Hennessy) who, I know, has an interest in the Urban Transportation Development Corp.—at the comments by the former minister, Mr. Carton, when this operation came into being. If you compare what he was talking back in those days to what we see today, with expensive houses in Vancouver, a fleet of limousines and participation in our own private yacht club, not to mention competition with the private sector and an expenditure of millions of dollars, I don't think that is what they had in mind.

The original arrangement, I believe, was to have UTDC—and I would have supported this—work as a catalyst to stimulate the private sector and to help the private sector with research and development and the development of markets. That is something, frankly, where maybe there is a role for government, but certainly not direct competition. Now we have a full-fledged competitive enterprise that conflicts directly with free enterprise. Quite frankly, I am glad to see the member for Fort William here tonight because I think the operations of this company really have jeopardized employment opportunities in his own constituency.

I would like, in summary, to make reference to a few other topics that possibly the minister would favour us with comments on. One is the

new child restraint bill which I think all members of the Legislature have supported. Certainly I think it is an excellent idea, but I am disappointed that the minister has not been able to persuade the Treasurer (Mr. F. S. Miller) and/or the Minister of Revenue (Mr. Ashe) to remove the sales tax on these items.

Parents find themselves in the position where, as a result of a provincial law that is passed in the interests of their children albeit, they have to expend \$100 or \$200, or even more, on these devices. Granted, they will save their children's lives, but I think it is a little unfair to suggest that the parents have to pay a sales tax on that device as well.

For my part as well—and this is odd coming from me in so far as I have been critical of the government advertising—I would much rather see the government spend money advertising the use of seatbelts and the use of these child restraint devices as opposed to some of the meaningless junk that we see on the television and the things we hear today. It is some of the most useless advertising. It doesn't come from this ministry; this ministry has been fairly responsible in its advertising budgets and the way it conduct itself in terms of public advertising. We have the Ministry of Health wishing a certain hospital a happy birthday, and the list goes on. "Preserve it, conserve it." There's a new one every day.

For my part, I would much rather see the government advertising the benefits of the child restraint device because I would like to see the utilization of these devices far exceed the utilization that seems to be the statistic people bandy around for adult compliance, that being somewhere in the area of 60 to 70 per cent. I know we cannot put a gun to people's heads and say, "Use these things." Since the legislation became a reality in 1975 or 1976, I think that even the staunchest opponents of using seatbelts have seen the wisdom of them. There is no doubt that many people are alive today as a result of using them.

Let us see what we can do to encourage parents to use them and see next year, as a gesture of good faith, whether we could remove the sales tax on them. Let us see what we can do with reallocating some of the advertising money that is spent promoting useless things, things that have no value whatsoever in terms of communications, to promoting things like child restraint devices.

For the benefit of the committee, I would like to see if the minister would be in a position to

table any polls or surveys commissioned in the past two years. I know that all committee members, particularly the critics, would be interested in the number of surveys you have involved yourself in, the subject matters and the results.

I would be remiss if I did not comment briefly on the extension of the GO service to Hamilton. It is something we have been after for a long time. The minister and I have had words on the subject of provision of that contract by the Urban Transportation Development Corp., and I want to go on record as saying that I regret that there seems to be some sort of exacerbated tensions, if I can refer to them as such, as reflected in the media which must have misquoted both of us. I see that they are not here tonight; they may miss my comments here.

Hon. Mr. Snow: The media are here, I will have you know. Joan is looking at us intently. Joan did not misquote us. I do not think anybody did. I was quoted very precisely.

Mr. Cunningham: I have been too generous in my retraction.

I just want to put on record that I do not think we can objectively have a tender process done through your socialist agency, the UTDC. I do not believe that we can get an objective analysis done by them. As I suggested to you once before in the heat of debate, it would be tantamount to asking a Ford dealer what kind of car you should buy. In the minister's constituency, it would be suggested that he buy a Ford.

I will have more comments about GO services when we get into that particular vote. I welcome the development of the new skyway. I recall the announcement you made during the by-election in Wentworth in 1978—I believe it was the last week of March—announcing what now has become reality. Perhaps I am just a little too cynical, but we in Hamilton welcome this development. Our preference would be a tunnel. We think in the long term that would probably be the most prudent thing to do, but if in your wisdom you have determined that it is going to be a twin facility over the bridge, we will accept that.

Frankly, we are happy that bottleneck may, at some time in the future, become history. It will be very helpful for Mr. Bradley, Mr. Kerrio and Mr. Welch's driver, as they work their way to the Legislature in Toronto and—

Hon. Mr. Snow: Phil Andrewes and a few more.

Mr. Cunningham: —Mr. Andrewes' driver.

Mr. Kerrio: And after the next election, our drivers.

Mr. Cunningham: And after the next election, Mr. Kerrio's driver.

I know the people of Hamilton welcome that. At the same time, I am mindful that it could be a great impetus to the development of the eastern part of Hamilton. With that in mind, I would ask the minister to contemplate whatever assistance from any kind of program in his ministry's mandate that he may have to help develop and encourage the use of Hamilton as a port. Things are a little slow in our town at the moment. We have 14 or 15 percent unemployment. Unfortunately, we have developed an overdependency over the years on our steel industry, which is the finest steel industry in North America. We do have some facilities there that might be better utilized.

9 p.m.

I would like to make one other comment very briefly. As I drive in on the Queen Elizabeth Way in the morning, particularly in rush hour as I get slowed down around Oakville and Mississauga, I see the same pieces of tire and junk on the road every day. I know it costs a bit of money to clean up the roads, but this is the Queen's highway and it is probably one of the best highway systems in Canada.

At least from the minister's constituency on into maybe even the Humber River, it would not be a bad idea to do a little cleaning work on either side of the highway to remove old mufflers, pieces of metal licence plates, crushed hubcaps, pieces of rubber and some weeds that are almost the size of Christmas trees. A little bit of cleanup there would not hurt as we enter—

Mr. Jones: I drive that road, and it is as clean as a whistle.

Mr. Cunningham: You are in the back seat. With those comments, I would conclude.

Mr. Chairman: Thank you, Mr. Cunningham. Mr. Samis.

Mr. Samis: Mr. Chairman, it is a pleasure to speak on these estimates on behalf of our party. At the outset, I want to comment that it is nice to see representatives from all four parties here this evening. The presence of the lone Social Credit member of the Legislature is welcome. We look forward to his comments and his philosophy.

My comments might be a little longer than my colleague the member for Wentworth North (Mr. Cunningham). I trust you will bear with me

as I raise a series of items for the minister to respond to.

The year 1982 has been difficult for motorists and users of public transit in Ontario. First of all, we have been hit with post-war record rates of unemployment, layoffs and plant shutdowns. Among those who are still working, there seems to be a growing malaise and sense of pessimism about their jobs and the future of Ontario's economy.

The current condition of the automobile industry in Ontario is a prime illustration of our serious economic problems. But, as we all know, the problem goes well beyond the automotive industry. The year 1982 has also meant higher taxes and less disposable real income for most people in this province. The Miller budget took somewhere between \$150 and \$300 out of the pockets of most consumers last spring. The MacEachen budget followed that by taking \$100 out of the pockets of the average family.

For motorists, 1982 has been the first full year of the infamous ad valorem tax. The programmed staged increases in the price of oil and gasoline has increased the cost of driving in Ontario even further. It is bad enough to have to face price increases set in place by the Ottawa-Alberta agreement, but to have the Ontario government profiting from this programmed inflation is a low blow for Ontario motorists. Unfortunately, there seems to be no hope of any change in the Treasurer's policy, and motorists in 1983 will pay even higher prices as the next phase of price increases takes effect this spring and further fuels the fires of inflation in this country.

The government makes a big deal about its so-called battle against inflation with its wage control program in this province, but motorists must surely wonder about the government's inaction in the field of interest rates, escalating energy rates and foolish investments such as the Suncor adventure.

Mr. Kerrio: Read that again.

Mr. Samis: You heard me. Read Hansard tomorrow.

Hon. Mr. Snow: There is no money in these estimates for Suncor, I assure you, Mr. Chairman.

Mr. Samis: May I continue, Mr. Chairman, now that the Socred has said his two things?

I realize that 1983 may offer some hope in that interest rates are finally on the decline because of the near-depression conditions that exist in certain parts of our economy, the staggering number of business failures and cutbacks and the continuing lack of consumer and investor

confidence. Also, there appears to be some hope that, with the world price of oil stabilizing and likely even falling in 1983, Ontario motorists may be spared the full impact of the rush towards the 75 per cent of world price of oil benchmark. This is purely a result of the deepening world recession and softening of the price of oil on the world market. No Canadian government leader or politician can take any credit, should the rate of increase in the cost of oil and gasoline diminish somewhat in 1983.

I do not think there is any need for me to go into detail as to how the trucking industry and other industries have suffered from the recession. I do think it is instructive that there was a very interesting article, in Ontario Business of all places, entitled Transportation and Shipping: in a State of Change and Turmoil, written in May 1982 by C. Alexander Brown, who talks about the impact in the spring when there was some hope that by the fall there would be a recovery. I find his words somewhat fortuitous in terms of what he was hoping for by the end of the year and the situation we are in right now.

Last year in the estimates I spoke at length against the idea of paying world price, or near world price, for our own resources. Although Canadians have been fairly successful in adapting to the higher, inflated price of energy, it certainly has meant that the transportation industry has had to make all sorts of adjustments, modifications and reassessments of their priorities, their modes and their own resources. I think Mr. Brown does an excellent job of outlining some of the changes that the industry has made.

Moving closer to the ministry itself and its activities, I would like to congratulate the minister on some of the initiatives he has undertaken in 1982 in the fields of bus safety, the transportation of dangerous goods, the announced extension of the GO service to Oshawa and Hamilton, the final unveiling of a master plan for future transportation needs in Metropolitan Toronto, the child restraint legislation and the decision to provide special licence plates for the disabled in the province, as well as a new program of licence plates whereby the plates will stay with the owner.

I intend to raise some questions on some of those matters in the individual votes, but I give the ministry full credit for those initiatives because I think they will certainly fill in some of the gaps that existed in the transportation picture in Ontario and give us a better and safer

overall transportation system at the provincial level.

However, I would like to raise the matter of the dangerous goods legislation. I should tell the minister I did speak very briefly this afternoon with the deputy minister about this to find out where things stand. I would ask the minister if in his reply he would give us an update as to where things currently stand with the federal government as to the regulations and their implementation. The legislation we passed was very important legislation, and I suspect that many people in the province think the problem has been resolved and they are fully protected by its provisions.

I understand that in September of this year the minister had a conference with his colleagues from all the other provinces at which this was raised. We have not discussed it at all in the Legislature or in estimates since the legislation was passed. We were operating on the assumption that everything would be tied in with the federal regulations and there would be no major problems.

That hasn't worked out, so I would ask if in his reply the minister would enlighten us as to where things stand, what the problems are, what the prospects are for implementation in early 1983, and what things would still be outstanding if agreement cannot be reached by then.

Another brief point I would like to raise at the outset of the estimates is the somewhat bizarre relationship this ministry has with the Ministry of Northern Affairs, which I characterized last year as a true sovereignty-association relationship in a form that members of the Parti Québécois are increasingly realizing they will never see implemented in their province in this century. I would merely ask the minister if he would report to us on how the relationship has fared in 1982, whether he and the Emperor Leo I of Kenora have had any spats, or have been forced to develop any new arrangements or modify any of their existing arrangements in 1982.

Hon. Mr. Snow: I have never heard that before. I've heard Santa Claus—

Mr. Samis: We don't want you to get too chatty or anything of that sort, but we would like an update on how the relationship is going. I'm sure the bizarre relationship must exact some toll on the minister's sense of wellbeing and power within the province, if not within the cabinet.

In terms of the trucking question which Mr. Cunningham has already referred to, I realize

that questions of truck safety and PCV licences are still under scrutiny by their respective task forces and so I will not spend much of my time raising issues related to them until we receive the final reports and recommendations in 1983. I have had an opportunity to read the discussion paper on the PCV question. I would like to take this opportunity to congratulate the authors for their attempt to devise a system that would simplify the rules of the game, ensure that everyone in the industry plays by the same rules, and provide that entry into the industry should be based on more contemporary, more meaningful criteria more easily understood by both the public at large and the industry.

The CVOR—commercial vehicle operator registration—concept is certainly an interesting one with considerable potential. I want to compliment the authors of the discussion paper for delineating the areas of agreement and the areas still outstanding among the committee members. I especially wish them well in attempting to resolve the question of determining the criteria for economic standards to be met for entry into the industry.

On a more general level, I would ask the minister to give us a report on his discussions with Ottawa and my federal member and their discussions with Washington on the whole question of the possible so-called trucking war between our two nations. Should the negotiations break down, the implications for the trucking industry in Ontario are very serious. I would like to know what plans the minister has drawn up in case the negotiations are not successful.

The minister has been reported as saying he would retaliate if a settlement is not reached, and he has had the benefit of meeting his colleagues from the other provinces fairly recently in Halifax to discuss the issue and what they would do in such an eventuality. I would ask that he elaborate before this committee on his ministry's position so we will know what to expect. Also, I would ask you, Mr. Minister, to bring us up to date on what you and Mr. Lumley have been doing in the past month in this regard, what communication you have had and what expectations you have in regard to resolving the dispute in the near future.

9:10 p.m.

Let me say that I think we are reaping the results of a nebulous pact that was made between Ronald Reagan's Republicans and the powerful, controversial Teamsters union prior to the 1980 election campaign, as well as the growing forces

of protectionism that have come to the fore as a result of the disastrous monetary and fiscal policies being followed by the doctrinaire, dogmatic, simplistic and insular Reagan administration.

Hon. Mr. Snow: Goodness gracious.

Mr. Samis: Do you want a few more? I can get a few more in for you.

Hon. Mr. Snow: There are a lot of adjectives flying around here.

Mr. Samis: Alliteration is what we call it.

Mr. Kerrio: And these are your friends.

Mr. Samis: They are alliterative.

Hon. Mr. Snow: These are better adjectives than Eric Cunningham and I use in the halls.

Mr. Samis: Those are the ones that get quoted and, you said, very accurately too.

May I add that the events of the last five days in Switzerland offer very little cause for optimism in this regard.

Hon. Mr. Snow: I was not there.

Mr. Samis: I'm not blaming you for this one. The prospects for further protectionist measures initiated by the United States appear stronger than ever rather than lesser. In terms of Canada it is sort of ironic.

I recall reading, in my days as a student and in teaching history, that in 1911 the slogan used against the Liberals was "No truck or trade with the Yankees." Today we're in the ironic situation where we want to maintain as much truck and trade with the Yankees as possible and the problem we're having is with the Reagan administration and the protectionist forces south of the border, not in Canada.

We in this party do not support any American-style deregulation policy for Ontario because we believe it would put many firms out of business and serve to abet a greater American control of the industry.

Mr. Kerrio: The state should run everything.

Mr. Samis: Listen, Vince, you're the man who supports Petrocan taking over BP. Terry is in a field by himself. You wouldn't want him, I assure you.

We believe it is important to modernize the regulations so that they are more reflective of the economy and society that we're currently living in, but we definitely reject any policy of blanket deregulation for Ontario.

I realize that the Uffen committee is studying the whole question of truck safety in greater depth and I look forward to their report. However, I do want to put on record my

concern about the need for annual inspection of trucks in this province.

I must say I found much to commend in the Ontario Trucking Association submission to Dr. Uffen on the safety question, especially on the questions of training for drivers, illegals, driver classification systems, their idea of a VOL system and, of course, the need for much more inspection of the trucks on our roads.

Before I leave the question of trucking in Ontario, I want to emphasize my concern about the possible trucking war, its implications for Ontario and the need for the minister to state his position on what he will do in such an unfortunate and undesirable eventuality.

I would like now to move my attention to the question of the rail and marine components of the ministry. Last year I spent a fair amount of time on the various recommendations of the rail task force. At the time I expressed considerable scepticism about the report, since so many of its recommendations were not within provincial jurisdiction. I also expressed misgivings that the report would soon be gathering dust as it joined the hallowed ranks of so many other glossy reports.

So many of the recommendations were couched in pious generalities and meaningless vaguenesses that one really wondered whether the province would ever do anything in the field of rail transportation. Let me say I recognize the need for a rail component and I think it is certainly important that the ministry speaks out on rail issues as they relate to our province, but I still wonder what are we really doing.

Last year I raised the series of the report's recommendations as examples and asked the minister to have his staff report back to me on action they had taken on these recommendations, all of which were allegedly within provincial jurisdiction or purview in one way or another. I received a seven-page summary of what action the ministry has taken on the recommendations and I thank the staff for that, but I must say that the answer raised as many questions as it answered.

I don't want to spend too much time this year in these estimates going back to those recommendations in detail, but I will cite four or five examples to illustrate my point about vagueness and generalities without specifics to substantiate them. I will give the specific recommendations again.

One would be recommendation 1-7. I'll quote the actual recommendation. "The province should ensure that service levels to the public

are maintained and not prejudiced as a result of reluctance by governments or by the railways to expand facilities or because of a system that indirectly rewards poor service."

The response to that one was: "One of the ministry's prime objectives is to ensure that an adequate level of service is provided for both passenger and freight. In pursuing this objective, we will be prepared to raise concerns and question any practices or elements of the system which stand in the way of the provision of adequate rail service."

Very simply, what have you actually done in terms of that recommendation? It is such a vague answer.

Let's try another one, 3-6. The recommendation reads, "The province should initiate negotiations for the development of appropriate local and regional rail services for isolated northern communities."

This is the response I received on that one: "Following the conclusion of the review of northern passenger services currently being conducted by MTC and MNA, and as a part of the ministry development of a rail master plan, the appropriate local and regional rail services for northern communities will be identified. Work can then proceed on how best to make the necessary changes to ensure that proper service is instituted. This will be completed by December."

I again would ask, what has been done in that respect, rather than those generalities?

If you want other examples, another one might be 5-2. There the recommendation was: "In order to determine systematically the magnitude and nature of the provincial involvement in various rail services, the government of Ontario should prepare a master rail plan which classifies the rail lines and services in Ontario according to whether they are: (a) strictly local or regional in function; (b) interprovincial or international in function; or, (c) dual function lines serving both local or regional and interprovincial or transborder traffic."

The response: "Work is under way in the classification of various rail lines and services as a part of the development of a master rail plan."

Again, what has actually been done in that respect?

I'll just take one more example, recommendations 5-11 and 5-12, which refer to a rights-of-way management program and rights of way within municipalities, assisting municipalities. The response received was: "A study into the financial and administrative costs of embarking

on a program of right-of-way management is almost complete within the ministry. A recommendation will be made to cabinet in the new year."

Again, what has been done in that respect?

The last example I will refer to without reading includes recommendations 9-6 and 9-8. I would ask again, what has actually been done in that respect?

These are specifics, but I would like to ask the minister to report to us on the status of the so-called master rail plan for Ontario. What stage is it at? When can we expect to see it completed? What does he regard as his ministry's major initiatives in 1982 in the rail field, beyond the two new commuter lines and the Metro plan he announced recently in regard to GO transit?

In terms of the two commuter lines that were taken over by the province, and I congratulate the ministry for doing so, I would ask him to report to us on the financial arrangements, the leasing arrangements, the maintenance and rolling stock questions and the patronage, in the truest and most noble sense of the word, since the takeover by GO.

I refer to both the Stouffville and Bradford lines, of course, and would ask as well for a report on the bus service being provided to Barrie since the takeover of the rail lines. I would also like to raise the question of the bus services in place since the abandonment of the Havelock line and ask what is in operation to meet the needs of those consumers, especially in the Claremont area. What provisions have been made for connecting services to tie in with the GO trains at Pickering and Stouffville?

Turning to the marine component of the ministry, I want to express my regret, first of all, at the demise of the Lakespan service, because I thought it was an interesting new dimension of the transportation scene in southern Ontario. I have a series of questions to raise when we get to the actual vote, but I would ask the minister to report on the total sum spent by his ministry on the Lakespan experiment, how much the province stands to lose, and whether or not his ministry would be prepared to reinvest itself if the project were to be revived at a later date when the economy picks up, if ever.

Could he also elaborate for us on why he feels the experiment failed, especially in view of his early comments about "poor marketing"? Could he also outline for us the involvement of his ministry people in the project at the various stages?

As for the marine task force, I would ask the minister to provide us with some details on what his ministry has actually done in getting improvements on the Welland Canal, in increasing public awareness of the St. Lawrence Seaway-Great Lakes system, in producing a provincial ports strategy—he referred to it briefly in his opening remarks—and in promoting the Great Lakes-Seaway system.

What exactly have you done in that respect? Also, what efforts have you undertaken to convince the feds to extend the navigation system on the Great Lakes-Seaway system. I think you did make a statement to the House, but I would ask for some specifics that have been accomplished since that statement in the House.

9:20 p.m.

On the question of bus transportation, I would like the minister to report on the activities of his provincial bus committee. I was rather taken aback by comments by the outgoing mayor of the city of Chatham when the question of the possible rail-bus terminal in Chatham was raised. He referred to the bus committee and said it had only met once. I would ask what exactly is the bus committee doing for its members, how often do they meet and what is their mandate at the present time.

Last year I raised the question about the lack of a suitable bus terminal in the city of Toronto. The minister outlined all the difficulties involved with the different parties in finding a solution. I would ask that he report to us where things stand this year and what the prospects are for 1983 for any real progress in the quest for a proper, modern and decent-sized terminal facility in Toronto.

I certainly hope that new legislation we have passed this year with regard to bus safety and motorists is having its effect on the roads around the province, but I must express my concern about the tragic situation that arose this fall in Hamilton. I am referring to the death of nine-year-old Dillon Blanding. Surely it raises some serious questions about the use of general purpose buses and vehicles for school purposes by school boards and the lack of adequate marking or lights when used as a conveyor of children, especially young ones.

I know that the minister was probably pleased that the Hamilton school board has acquired the proper school buses, but I do think some of the points raised on October 18 in the Hamilton Spectator, entitled "School Buses and Safety,"

have some validity. I will just quote a couple of them.

"The problem isn't that students ride on buses rented from the HSR, it's that the buses aren't clearly identified as school buses.

"The most effective thing to do would also be the simplest: Provide each of the 20 rented buses with temporary school bus signs and flashers so that both children and motorists will know that the bus is a school bus transporting children.

"Transport Minister James Snow is either misinterpreting the problem or trying to avoid the issue by commenting that many urban students ride on regular buses and don't have the protection offered by flashers and signs and that it would be a drastic step to require all public-transit buses carrying students to have flashing lights.

"A student riding a regular bus is well aware of the need for caution. Unfortunately, a student riding a bus provided by the board of education—especially a younger student—is not likely to make the distinction the Highway Traffic Act does between a regular school bus and one rented from the HSR—nor should he have to.

"Any bus chartered by a school board should be clearly marked and should have flashing red lights.

"That way, motorists will be forced to stop both ways—as they are for regular bright yellow school buses—and the children riding the buses will have the protection provided by the signs and the flashers."

Let me say that I am glad to see that the school board in Hamilton has purchased regular school buses and, hopefully, there won't be any more tragedies such as the one that did arise this fall.

I would now like to turn my attention to your ministry's program on propane conversion in this province. First of all, let me make it clear that we support the initiative of the ministry in getting people to use other sources of fuel for their vehicles. However, we do have a concern about the safety factor involved in these conversions. Both the member for Port Arthur (Mr. Foulds) and I raised the matter in the Legislature last spring.

Since the matter was raised then, the CBC consumer program, Marketplace, has raised the same issue and I believe your ministry has launched an investigation into the matter, according to the Toronto Star. With 15,000 cars or so out on the roads and the danger that they may

pose to other motorists, an investigation is certainly warranted. I would like to know what the status, the scope and the mandate of that investigation is.

What is your ministry doing to ensure that the conversions are being properly done and what sort of inspection or examination system do you have in place in view of the potential dangers involved? What is being done to protect the general public and are you doing any sort of testing or do you have any sort of recall program for the converted vehicles? What have you done about the 300-plus government vehicles that have been converted to propane?

I notice in his report John Whiting said: "The practice of installing the propane container, with the exposed hoses and valves in the luggage compartment and/or passenger-carrying space, is not acceptable. The ministry's policy should be that where propane-powered vehicles are used, they be factory-produced vehicles." He does make one provision that he sees the installation of the propane facility under the trunk as having some merit. I would ask the minister if he would report back to us on the whole question of the safety problem and what action his ministry has taken and where the investigation stands.

On the question of safety, I would like to turn to the matter of child restraint. This has already been referred to by my colleague. I welcome the introduction of the child restraint legislation in the House and I am pleased that it is now in effect. However, I believe the ministry has not done an adequate job of informing the parents of this province of the provisions of the law and their responsibility. The government spends \$40 million yearly in advertising but has only designated \$125,000 for advertising this new law, and most of that was spent on posters and pamphlets sent out to hospitals, courts and public health units.

For parents, all you seemingly have is a series of public service announcements which you hope—and I emphasize hope—that broadcasters will run without charge. The only ones that I have seen were both on TV and both after 1 a.m. I suspect that is where they are being used by most stations, if they are being used at all. It is bitterly ironic that all sorts of money can be spent for such silly advertising programs as "Preserve it, conserve it" and all the other sorts of self-congratulatory advertising programs carried on by other ministries and yet there is virtually nothing for a vital program such as this which saves lives and can prevent infants from

all sorts of serious injuries in cars. Where does the government have its priorities?

How much does your ministry spend on advertising on other programs, services and messages in comparison to this particular one? How much are you spending, for example, on the plate-owner program and those natty blue pamphlets that are now in circulation? What is the sense of passing an important law like this if you are not prepared to make people fully aware of it in a meaningful way? It almost reminds me of how this government implements its bilingual measures, in a surreptitious way, in order not to offend the rednecks and hardliners of this province.

As for the loaner program to accommodate the needs of those who cannot afford the cost of restraint—and with 600,000 people out of work and the average cost of these devices being between \$50 and \$95, I suspect there are thousands of such people—your lack of support is really a disgrace and more befitting someone with a Ronald Reagan mentality.

The Ontario Safety League has been grossly underfinanced in its program to establish loan programs across the province, with only one person available to travel and help service clubs set up their programs. Surely it is adding insult to injury to end their funding in December. We do not have enough loaner programs to adequately serve all parts of the province. Your ministry's lack of support for such a program seriously undermines the efficacy of the law in its early stages.

In addition, your lack of adequate advertising may well mean that the loaner programs will not hit the target group, namely, the lower-income parents, because they are not as aware of the law and not as greatly motivated as middle-class parents. The result will likely be that middle-class parents will be the ones to make most use of the loaner programs where they are, while lower-income groups will probably not use restraint devices at all, either because they are too expensive or because of their lower awareness.

Speaking to the question of licences, I would like to now turn my attention to the matter of the new plate-owner vehicle registration system. Basically, I believe the new system is a good idea, but I strongly disagree with the idea of a uniform fee for all cars regardless of their size or fuel efficiency. It is a regressive, money-grubbing system that makes a mockery of the ministry's campaign to convince motorists to conserve energy where possible and to turn away from the big inefficient gas guzzlers to

smaller, more fuel-efficient cars. It will serve to undermine the credibility of the ministry's effort at convincing people to be conservation conscious.

Let us face it, how do you explain to someone who drives the most efficient car on the road, a four-cylinder car, that his rates will be going up somewhere in the vicinity of 50 per cent, whereas someone who drives the biggest gas guzzler, the most fuel-inefficient car on the road, will be getting a reduction in the realm of 40 per cent on his fee? Everybody who drives a four or six-cylinder car is penalized while everybody driving an eight-cylinder car is rewarded. That really makes a lot of sense.

I refer briefly to an interesting letter from Gordon R. Morrow of Kitchener. I will just quote parts of it. It says, "It appears that the latest move by the provincial government is aimed at the low- and middle-class wage earners again. I am referring to the uniform price of \$48 for automobile renewal stickers. It can only adversely affect those who seem to face the brunt of any government tax. The issue of motor vehicle registration is another taste of regressive taxation.

9:30 p.m.

"The low and middle wage earners are buying small cars for a number of reasons. Firstly, they are cheaper to both buy and operate. Those who can afford the luxury cars and aren't concerned about the price of gas are given another break, a reduction of up to \$32 in the licensing fee. Not only does the regressive nature of this move make it asinine, but it conflicts with the government's whole 'Preserve it, conserve it' campaign.

"Some of the incentive for buying a small car no longer exists. If the government wants the citizens of Ontario to seriously conserve energy, why would it implement a policy that is the exact opposite of that philosophy? It makes far more sense to increase the cost of registration of six and eight cylinder cars, but as so often is the case, the government has again ignored common sense. Granted, the magnitude of the new licensing fee is relatively small, but it does underline the notion that governments have little or no concern for citizens and put very little thought into their policies."

That is rather poignant, I thought.

Mr. Kerrio: Do they charge more for Japanese cars?

Mr. Hodgson: And the Lada cars?

Mr. Samis: Ask Mr. Reed.

Mr. Kerrio: That is good pricing.

Mr. Samis: That is from Gordon R. Morrow of Kitchener.

Mr. Kerrio: Sure, they pay double for Japanese cars.

Mr. Samis: There are four-cylinder cars in North America, Mr. Kerrio, don't you agree? The system we had was a good one, a fair one—

Mr. Hodgson: And the Ladas.

Mr. Samis: Don't you have a member of your caucus driving a Lada?

Mr. Hodgson: Not that I know of.

Mr. Samis: Well, check. A member from eastern Ontario used to have one.

Interjections.

Mr. Chairman: I think we are digressing, gentlemen. Mr. Samis, would you like to continue? I know it is difficult, Mr. Kerrio, but try to contain yourself.

Mr. Samis: Mr. Kerrio's sense of doctrine, dogma and ideology gets the best of him on occasions; I realize that.

The system we had was a good one, a fair one and a sensible one. People respected it because it was fair and they understood its intent. This one is nothing more than a heavy-handed money grabber to put more into the Treasurer's till at the expense of our motorists.

I know the minister will reply that he got mugged on this one by the ex-car dealer from Muskoka, reminiscent of our friend Jim Taylor getting mugwumped by Ontario Hydro in the corridors of power, but surely there are 101 other places where he could have raised revenue or saved money instead of imposing this kind of tax.

I am glad to see the member for Mississauga North (Mr. Jones) is here.

As I said, I support the plate owner system but I deplore the uniform rate system for all cars. I am sure the people in northern Ontario will deplore the 140 per cent increase in their rates, especially in view of Emperor Leo I's grand promise of a \$10 flat rate, and the Premier's preaching the five per cent gospel as the cure-all for economic woes in this province. It is rather ironic to have a 50 or 100 per cent increase when government is preaching five per cent as the limit.

Turning to the overall question of safety on our roads, I was pleased to see there was a decline in 1981 in the number of fatalities, although I share the minister's concern about the increase in the number of motorcycle deaths

in the province and the continuing high rate of accidents among our youngest drivers.

It is also a matter of concern that 58 per cent of the drivers who were killed had alcohol in their blood. That is a five per cent increase over last year. I know it is not under the minister's jurisdiction, but I still feel the penalties for impaired driving are not harsh enough. The time has come to get tough with the endless array of lifestyle beer advertising on television in this province. One cannot watch television any more without being bombarded about Pete and the boys, or some character, heading out on the weekend for his case of Labatt's. I suspect this kind of advertising has a rather powerful impact on teenagers in the 14- to 17-year range.

I would like to ask the minister what he is doing or planning to do to cut down the number of motorcycle fatalities. I realize we have more people on the road driving motorcycles, but I suspect the problem goes well beyond that.

Mr. Kerrio: Didn't you want beer in the ball park?

Mr. Samis: Why? Were you against it?

Mr. Kerrio: No.

Mr. Samis: Mr. Kerrio, I'm talking to the Tories, not the far right. No wonder your caucus has problems.

Your ministry introduced a new policy in March which gave motorcycle instructors with the Canada Safety Council the power to test students for class M licences, but how many communities in Ontario have access to those courses in the first place? The Toronto Star mentioned that courses were available at community colleges in Brampton, Burlington and Oakville, but how many other campuses around the province offer that course?

What is the ministry doing to improve its own testing facilities and procedures in terms of motorcycles? What is being done with the private driving schools of the province to get them to pay more attention to this aspect of driving in Ontario?

On the question of young drivers, I notice once again that 16-year-old drivers had by far the highest accident rate—18 per cent versus the 12.5 per cent average for people in the 17-, 18 and 19-year range. Of all males who had accidents in 1981, 21.4 per cent of them were 16-year-olds. I realize that represents a slight drop from the 1980 statistic, but the pattern remains the same for 1979, 1980 and 1981, namely, that 16-year-old drivers have by far the highest accident rate.

This leads me to my perennial question: Why do we continue to allow 16-year-olds to drive cars when they cannot drink until they are 19 and they cannot vote until they are 18? That is a purely personal opinion, but I have been given no convincing evidence that would lead me to change or modify it, especially with the accident statistics.

I noticed in the Toronto Sun on Thursday, November 25, that Alan Donelson of the Ottawa-based Traffic Injury Research Foundation felt the problem was so serious that he came out with some rather radical recommendations about keeping young drivers off freeways. He even suggested keeping them off certain roads at night and having restrictions on how many passengers they are allowed to carry. I consider that pretty far out and radical, but I think it is symptomatic of the fact there is a real problem.

I would like to ask the minister if he has any statistics on the probationary licence system now in effect in Ontario and how many drivers under the age of 18 have been denied their permanent licence or have had it delayed due to infractions.

Every year the question of having a system of driver's licences with photos on them, as recommended by the safety council and the select committee, comes up and every year the minister says he would like to do something about it but does not have the money to implement the system. Is it the same story this year? Is there any reasonable hope we will get them before the end of the mid-1980s?

I have a series of questions on safety when we get to that vote, but I just want to close by saying that the speed on the highways, such as on Highway 401, seems to be no better than when I raised it last year.

Mr. Nixon: Do you want it lower?

Mr. Samis: Oh, Mr. Nixon.

The percentage of compliance is still very low; high speed still seems to be the norm rather than the exception, especially on the 401. I realize that is not within your jurisdiction, but I think it is a problem within the province.

One final thing I would like to raise in this section is the question of lighting at intersections on our freeways. I noticed this summer, driving through Quebec, New Brunswick and Nova Scotia, that they use a tremendous amount of lighting at major intersections on their major highways. In New Brunswick and Nova Scotia, I was surprised at how much they spent on powerful lighting at intersections, not only on

four-lane highways, but on two-lane highways as well.

As for the roads in general, I will wait until we get to that vote before I raise specific questions, but there are two items I would like to raise now. The member for Sudbury (Mr. Gordon) has already referred to the whole question of Highway 69. When are we ever going to make it a four-lane highway from Toronto to Sudbury? It is the major link between the north and the south.

I realize there is some work being carried out in terms of passing lanes in certain areas, but it is a road that deserves major attention. The remark the Premier made in the *Globe and Mail*, that nobody really uses it after Labour Day, is symptomatic of the problem that we are not giving this highway the attention and the funds it deserves. It is our major connection between northern Ontario and the south and it deserves far better treatment.

Second, I would ask—the minister made reference to it—if he would give us a report on the general—and I emphasize that word—condition of our bridges in the province. He has already referred to the American situation and Reagan's final realization that something has to be done about it. I would like to ask what degree of checks are carried out within the province, how frequently, how far advanced we are in our rehabilitation program, what the prospects are for the upcoming years as to needed repairs and replacements, specifically on bridges, and what cost is involved in that process.

On the question of public transit, I want to stress the high priority that our party puts on this question in this province. We believe it is crucial to have a modern, accessible and affordable system of public transit in place in every part of the province. It serves basic social and personal needs, it saves energy for the province, it means less pollution and it can mean a reduction in the tax burden we carry from the importation of expensive foreign oil into the country. For many people without a job and unable to pay today's high prices for cars, gasoline, insurance and maintenance, public transit is their only real means of getting about.

The ministry is spending over \$1 billion on roads and less than \$200 million on municipal transit. This raises a question in the minds of some about this government's priorities. Our party believes the province should provide sufficient funding for transit systems which seek to extend their ridership through monthly pass systems, fare reductions during off hours, exclu-

sive bus lanes to speed up services, transit passes as part of employee benefit packages and other imaginative schemes devised to increase ridership.

9:40 p.m.

Most local transit systems are strapped for money and faced with a strong reluctance at the municipal level to raise property taxes or to jeopardize existing ridership through sharp fare increases. Thus, strong provincial support is essential to the future success of public transit systems in Ontario. The sorry spectacle of public transit in most major American cities should warn us what can happen when senior levels of government ignore local transit systems and continue to spend huge amounts of money on expressways at the expense of public transit within the cities.

Turning to the minister's much ballyhooed announcement about extending the GO lines to Oshawa and Hamilton and creating a new transit line across the north of Toronto, let me say that we do welcome the extension of the GO service. We have advocated that in the party for a considerable time. I am sure Sammy Cureatz will be happy that he won't have to eat cake on this one, especially before the next election.

I would like some figures on the projected job creation impact of the two extensions and what this means in terms of GO's rolling stock, track facilities and existing arrangements with both Canadian National and Canadian Pacific.

As for the northern line across Toronto, I also welcome that initiative, although a lot of negotiating lies ahead. We are talking many years down the track before we ever see it realized. I have concerns about the whole tendering process that has already been referred to and whether or not both projects will really be open to tender.

I can appreciate the minister's policy of helping the Urban Transportation Development Corp. to get as much work as possible, but I wonder if we are not shielding them from competition from private firms such as Hawker Siddeley Canada Ltd. and Bombardier Inc. If their technology and designs and their overall system are superior, what is there to protect them from? When we are talking in terms of two to three billion dollars, the public should be guaranteed as wide and open a tendering system as possible to ensure maximum efficiency.

As to the cost factor, it is interesting to note the Scarborough line has rocketed from \$134 million to \$183 million. While I do recognize there are certain differences between the three lines, there is a similar technology being used. It

is significant that the cost of intermediate capacity transit system vehicles on the Scarborough line has risen from \$29.5 million to \$48.7 million.

I recognize there are differences and I realize that one third of that increase is due to modifications made to accommodate drivers. My point is: How accurate or reliable are the estimates of \$162 million for the Oshawa extension and \$252 million for the Hamilton extension in view of the Scarborough experience?

I recognize that advanced light rapid transit is not ICTS, but the ALRT is a new technology and the ICTS experience indicates we will likely see upward revisions in cost estimates before the project is completed.

There are some concerns that the ALRT system may be underused in view of its apparent capacity to handle up to a maximum of 25,000 passengers an hour. The GO buses that it will be replacing on the Oshawa run now carry 6,000 passengers per day between Oshawa and Pickering, and 6,000 are shared between the buses and trains between Oakville and Hamilton. I realize the projections for the eastern run are 22,000 per day and 12,000 for the Hamilton-Oakville run, but I would like the minister to address the question of ALRT's capacity and the projections for 1991.

I welcome the fact that GO will have its own system on its own right of way and not have to depend on CN or CP for the right of way, crews, scheduling, etc., as it presently has to do. That is a major improvement and one I am sure GO officials will be thankful for.

As to GO in general, it is unquestionably a very popular and successful service in the Metro region. I will raise some questions under the appropriate vote on the particular services they offer and the status of the controversial proposed lakeshore ICTS.

I have already raised the matter of the two new commuter lines that were acquired this fall, namely, Stouffville and Bradford, so I will not go over that ground again.

I want to reiterate the position of this party, that we endorse public or government involvement in the transportation sector at all levels and, consequently, we support the existence of UTDC in this province. We think the concept of such a corporation is a good one. We do not agree with or support everything that UTDC does or gets involved in, just as we do not support everything Ontario Hydro is doing today, but I want to stress that we believe in the

concept of UTDC and we want to see it succeed in Ontario.

We welcome UTDC's success in obtaining large contracts in Vancouver and Detroit, but we do not like the way in which it was foisted on Scarborough against the advice of the Toronto Transit Commission staff, nor do we like what is happening in the cost picture, nor do we have much enthusiasm for the yacht club caper at Bath. The general image of UTDC is that of becoming an empire unto itself.

UTDC's whole technology has been an ongoing source of controversy since its very inception, and once again this year questions have been raised about the linear induction motor, especially by Eric Braithwaite and Robert Whiteman. I would hope that the UTDC officials will respond to those criticisms and reservations in detail when the appropriate vote arises.

I would hope the UTDC would be much more involved in developing their basic modes of transportation and not go overboard with any new exotic or expensive type of technology, but rather concentrate on proving what they have and making a success of their three major contracts. I realize that UTDC is working on other projects besides the intermediate capacity transit system and I would hope that they would contribute to the growing expertise in transportation that Canada has acquired in the past decade.

One final item I would like to see raised at the outset is the murky matter of communications. I would suppose that the item that is currently receiving the most public attention in this field is the recent Applebaum-Hébert report. The ministry's annual report on page 4 states that the ministry participated in the report process. I would ask the minister to provide us with information as to exactly what input his ministry had into the making of the report and would he table with the two opposition critics any submissions to the "Applebert" committee on behalf of his ministry.

Since the report has been published, a swirl of controversy has arisen around its various recommendations, but nothing apparently has been heard, in public anyway, of this ministry's stand on the broadcasting recommendations, more specifically, the recommendations dealing with the Broadcasting Act, cable services in Canada, policies for satellite development, the perennial question of Canadian content, and the role of the Canadian Radio-television and Telecommunications Commission in future developments.

Does the ministry have a policy on those matters? If so, will the minister elaborate on it?

Personally, I have some grave reservations about their recommendations on the future role of the Canadian Broadcasting Corp., although their ideas on the CRTC strike me as more plausible and more positive, though I would like to read them in far more depth before making a definitive judgement.

On the question of the cable industry in Canada, I see that the minister favours provincial jurisdiction over the entire industry and an open skies policy for satellite broadcasting in contrast to the current federal government policy. I would ask the minister if he could table copies of his speech to the Ontario Cable Television Association and I thank the deputy for having provided that this evening and also the cable policy paper mentioned on page 4 of his ministry's annual report. I would ask that both critics be provided with that as well.

I noticed that his proposal for a direct broadcasting service left the president of the Canadian Cable Television Association somewhat puzzled, while others apparently felt that the proposed provincial jurisdiction over the entire industry did not make much sense to them, according to the *Toronto Globe and Mail* report. I trust that the minister does not support the position of Pat McGeer from British Columbia who thinks that we should abolish the CRTC altogether and "replace it with nothing." I trust that his metaphors about Mounties on every street corner were hyperbole and designed for effect on his audience when discussing Francis Fox's policy on commercial enterprises using earth stations.

I certainly don't believe in hiding behind a protective wall and blocking out American imports, although I think it's important that we ensure that cable operators provide funding for more and better Canadian productions. Patrick Watson has expressed the fear that some of the pay TV operations that will soon be coming to Canada may be forced out of business early in the game due to a simple lack of revenue and that pressures will immediately arise to relax or drop the requirements for spending on Canadian production with the result that we will be deluged with American programming and be left in even worse shape.

I realize that John Meisel has publicly stated he won't allow that to happen, but the CRTC's record so far has not been noticeably successful in forcing existing Canadian commercial opera-

tors to plough money into Canadian production as it has allowed virtually all of them to have their licence renewals and to remain on air.

I would ask the minister if he still adheres to his policy announced in December 1981, namely, that content regulations should be based on the station's or outlet's ratings and I would ask him to report also where things stand with the federal government on the whole question of jurisdiction. Has any progress been made? Are there any negotiations scheduled or in progress and where do things stand as of now?

Before closing, I would ask the minister to expand on the comments made on page 3 of the ministry's annual report in reference to radio broadcasting, namely, that his ministry has made representations to the CRTC "to introduce additional positive incentives to ensure Canadian content." What, specifically, does that refer to?

9:50 p.m.

Pay TV is the beginning of a new era in communications in this country and, along with satellite broadcasting, I believe we should be very careful not to repeat the mistakes we made in granting television licences in the 1960s where the rules have been openly and consistently flouted by certain privately licensed operators.

Mr. Chairman, I'm sure you'll be glad to know that comes my opening remarks.

Mr. Chairman: Thank you, Mr. Samis. We will now hear the minister's reply. I would suggest that we proceed first with the reply to the Liberal critics comments.

Mr. Samis: Are we not giving the Sacred member any opportunity?

Mr. Chairman: No opportunity, no official status.

Mr. Kerrio: I shall prevail.

Hon. Mr. Snow: Mr. Chairman, I made as many notes as I could as the honourable critics went through their comments and I will try to reply to them as briefly and completely as I can.

First of all, with regard to Mr. Cunningham's comments regarding the late arrival, as I believe you might call it, of the estimates briefing books and the suggestion that they should have gone to all members of the Legislature, I'm surprised to hear that other ministers may have distributed their books that broadly. I had never thought it was a requirement nor have I ever heard of it being done before. It's something we could consider if the members are interested. Once the material is prepared, it's just a case of

running off the extra hundred or so copies that might be necessary.

I would like to have seen these books distributed a little earlier too, but as you know, the estimates were changed from one committee to another and we were given very little notice as to the date we were to start. That may have had something to do with the fact the books were distributed later. However, I assure you I will try next year to anticipate the date that the estimates will come on and get them out earlier.

We do not prepare the material until fairly close to when the estimates are coming on in order that they can be as up to date as possible. You may note that in our estimates briefing books we are comparing actual 1981-82 expenditures, rather than 1981-82 estimates. We are able to do that because of the lateness in the year. If our estimates books had been prepared earlier, they would have been based on estimates of the previous year rather than being able to give you the actual material. That is one of the reasons why we don't prepare the material way ahead.

The member commented on Highway 403 and the Fiddler's Green interchange. I think that matter is in hand. It certainly is as far as I'm concerned. I've met with the municipal representatives in that area. I had a letter after the announcement of the Hamilton Airport project going ahead. I had a letter from Mr. Pepin inquiring as to the access to the airport. Following that, I had correspondence with Mrs. Jones, the chairman of the region, and a meeting was set up with municipal representatives. I think everything was very amicably settled at that time with regard to that interchange. It will be in place, I'm sure, before the airport. As a matter of fact, it is being scheduled right now and was in the process of being scheduled even before the announcement of the airport expansion.

The whole Highway 403 system is now scheduled, as I'm sure the honourable member is aware in dealing with the local people in that area. The highest priority was for the section between Brantford and Woodstock, the second priority being between Brantford and Ancaster. There is one major contract under way on the western extension. Another one is to go to tender within the next few months. It will certainly be ready for a spring start. Then the paving contracts will follow. I believe the finishing date is still 1985, if I remember right, for the western section. That will be immediately followed by the scheduling of the eastern section between Brantford and Ancaster.

With regard to the honourable member's statement of four lanes through Waterdown, to my knowledge, we have no plans to four-lane through Waterdown. We're going to try to work with the municipalities. In fact, we've had meetings on that matter. I know there is some discussion as to whether there should be parking on the street through Waterdown or whether there shouldn't be parking. I believe the mayor—the past mayor now—told me she was in favour of restricting the parking going through Waterdown in order to make a better highway through there. I've been through Waterdown many times and I see no way that anyone could possibly put a full four-lane facility through the town. I think we may be able to bring it in closer from both ends than it is now. Our planning staff are working with the municipal people right now on different alternatives as to how best that can be handled.

I think the suggestion of a bypass at Waterdown, which was bantered around a few years ago, is not being considered by anyone at this time. I don't think we see it as a reasonable option and I don't think the municipality does either. We will continue to work on that.

Commuter lots, as the honourable member mentioned, have been a very successful program. We're adding continually each year. I'm not sure of the exact number of commuter lots that we built this summer. I could get that information for the honourable member. I would think it is probably seven or eight, something in that neighbourhood. Ever since I initiated the commuter lot program three or four years ago, we've been adding eight or 10, however it works out, of those lots each year. They are being very well used. Some of them have had to be expanded, and we're going out further from the core area. They're really working out very well.

I notice them even on weekends, Saturdays and Sundays, some of the lots are used. Some are used very little on the weekends, but others are almost full on the weekend because people meet there if they're going cottaging, skiing or wherever. It is cutting down on the use of cars, and that's what we're trying to promote.

Mr. Kerrio: Are you going to charge them for parking there?

Hon. Mr. Snow: I never thought of that.

Mr. Cunningham: Don't give him any ideas.

Hon. Mr. Snow: I'll tell the Treasurer that you suggested that. Make a note to the Treasurer.

Interjections.

Hon. Mr. Snow: The next and very important matter the honourable member mentioned was the US moratorium on licensing of Canadian truckers going into the United States. This has been a great concern to us all. I have been a member of a committee of ministers. The member mentioned the meeting we had in Halifax last September. There have been meetings since that time in Ottawa with Mr. Pepin and three other provincial ministers and myself. The matter is not one that we have taken lightly at all because we recognize the great effect this could have on international trade.

We think good progress is being made. I have not had an up-to-date report in the last few days. I did have a telex from Mr. Pepin about a week to 10 days ago saying that major progress was being made. The member for Cornwall (Mr. Samis) mentioned his colleague Mr. Lumley. To my knowledge, he has not been directly involved in this at all. I have certainly not met with him.

Mr. Samis: Who is handling the negotiations with Washington?

Hon. Mr. Snow: The last meeting I had was with Mr. Regan.

Mr. Samis: Gerry Regan, the new Minister of International Trade?

Hon. Mr. Snow: The Canadian Regan, not Ronnie.

Mr. Samis: Gerry, not Ronnie.

Hon. Mr. Snow: Gerald, I believe his name is.

Mr. Samis: The fellow with the hairdresser.

Hon. Mr. Snow: In any case, I was in Ottawa two or three weeks ago. The meeting was attended by Mr. Pepin and Mr. Regan. Mr. Regan was meeting with Mr. Brock on the US side. Every attempt is being made, and I understand it looks very promising that this whole matter will be resolved amicably without any border wars over trucking. I know there were certain people in the trucking industry who wanted us to retaliate harshly. As I said, I'm not about to start the War of 1812 all over again on this issue.

Mr. Kerrio: We whipped them before and we can do it again.

10 p.m.

Hon. Mr. Snow: Let's just hold our cool and keep our powder dry. We certainly believe that the matter can be settled and we are hopeful that it will be settled in the very near future. As you know, the ICC report came down and stated quite strongly that Canadian provinces

were not discriminating against US truckers. That was most helpful.

I'll try to get updated before our next meeting and I know Mark Larratt-Smith, our assistant deputy minister, has been one of the key players in the whole matter with the minister of state in Ottawa and his officials in working on this.

Mr. Samis: We'll lend you Vince Kerrio if you want.

Hon. Mr. Snow: Thank you. I have a very high regard for Vince—higher than for some other people I know. I love that free-enterprise spirit.

Mr. Kerrio: The hell you do.

Mr. Samis: How about a future draft pick?

Interjection: You are a regulator.

Mr. Kerrio: You are just like Trudeau. Once you've made it, you are out the window.

Mr. Chairman: Try not to aggravate the minister.

Mr. Samis: How about his own colleagues?

Hon. Mr. Snow: Mr. Cunningham had some comments, as I anticipated, regarding BILD. He and I see BILD in a different role.

Mr. Cunningham: That's because your name is on the signs.

Hon. Mr. Snow: No, no. My name is not on the BILD signs.

Mr. Hodgson: Keep up BILD. You are doing good work on Highway 404.

Hon. Mr. Snow: BILD is doing a great job. I recognize the argument that some of the members have made that BILD is doing jobs that the ministry could be doing under normal programs. I can't argue with that point. But if it had not been for the additional funding that my ministry received over and above our base through the BILD program, we would not have had a lot of those jobs on the go this last two years and for the three years coming.

That additional \$25 million per year for highway construction in this area has allowed us to advance some projects. I think last year we advanced close to 30 projects. Sure, they were on our program. We had them on the program because we had the design work completed, but we didn't have the funding for them. When that money came along, we were able to advance those projects. It has been very helpful to us in the ministry in meeting some of the needs.

On the matter of rail cutbacks, we certainly had a lot of discussions with the federal government on the announcement of the Via Rail

cutbacks. We carried out our own assessment of the situation and we felt portions of the two lines fell within our mandate of GO transit for commuter service. Although we had not budgeted for taking over those lines, we were able to make provision for them and implemented them the day after the federal government cut off the service. I think our people responded very well to that.

Child restraint has been mentioned by both members. There was the matter of the legislation and the matter of the sales tax; the latter is something beyond my control. When we brought in this legislation I suggested to the Treasurer (Mr. F. S. Miller) he might consider making these items sales-tax exempt. He did consider it, but declined to do so. Certainly it's something that he could consider in the future. I'll bring the concerns to his attention again, but it is something beyond my responsibility.

Both members mentioned the advertising program. We have not done a mass-media advertising program because in this area we are working on a targeted group of people, known as the young parents—new parents. Where the figure of \$130,000 or something that has been mentioned has come from, I do not know because my officials tell me we have spent something around \$300,000 on advertising for the child restraint program. It has been targeted mainly through the family planning units, health units, hospitals, pre-natal clinics, doctors' offices, trying to target the people we are trying to get to and not doing a mass advertising program.

We have got the message through quite well without a mass advertising program, which costs a great deal. We will try to do everything possible to increase the use of these restraints. I will not be satisfied until every child in the country is buckled up.

Mr. Kerrio: Why would you have to do a massive advertising program when you have the records of every child who is born here?

Hon. Mr. Snow: That is a good question. We do not wait until the child is born.

Mr. Kerrio: Down the line, after the child is born, it is of an age that it needs a restraint.

Hon. Mr. Snow: It needs a restraint the day it is born, coming home from the hospital, as far as the legislation is concerned.

Mr. Kerrio: You do not have to do a massive program of advertising.

Hon. Mr. Snow: That is what I am saying. We did not take that attitude of doing mass advertising to try to get to every resident of Ontario. We

have targeted that advertising very carefully towards the people whose babies were to be born from November 1 on, when the program came in. We did that through all these family planning units, pre-natal clinics, doctors' offices and so on.

Mr. Kerrio: Okay, that is fair.

Hon. Mr. Snow: I think we have been quite successful in getting to those people without going into very expensive, mass-media advertising.

Mr. Samis: May I ask you to give us a breakdown of that \$300,000 figure on Monday?

Hon. Mr. Snow: I can get it for you.

Mr. Gilbert: One thing to keep in mind, Mr. Samis, is the fact that our staff has been working with these various people for some time. We did not wait until the legislation was introduced before we started working on the program. As the minister said, we started working earlier with the doctors, various clinics and so on.

Really what we are talking about is a lot of staff time, as well as just advertising, publications and things like that. There has been a lot of co-operation from—

Mr. Samis: I appreciate the point you are making, but I would still ask if we could get a breakdown of that \$300,000 figure for Monday. How much was spent on literature and pamphlets, etc?

Hon. Mr. Snow: I have a breakdown of it someplace. I do not have it with me, but we can get that to you on Monday. It is something in the neighbourhood of \$300,000.

Mr. Samis: I think the \$125,000 figure I quoted was from the Globe and Mail. There was an article in there by Ellen Roseman.

Hon. Mr. Snow: I cannot tell you what the Globe and Mail thinks all the time, but—

Mr. Samis: I am telling you what they printed.

Hon. Mr. Snow: The information I have is that something in the neighbourhood of \$300,000 was spent.

Mr. Kerrio: They have been big on Rae lately, but I think he struck out.

Mr. Samis: You are the Blue Jays' supporter, are you, Vince?

Hon. Mr. Snow: I would like to compliment some of the writers in the press for the job they have done. There was almost a full-page article on the front page of one of the sections of the Toronto Star about two weeks ago. I cannot recall the name of the girl who wrote the article, but it was an excellent article; it was almost a

full page. It is something you could not buy for any money. It explained the program and did a great job.

Mr. Samis: Yes, after the fact and accidentally.

Hon. Mr. Snow: I would not call it that. It was not after the fact at all; it was just about the time of the legislation becoming effective.

10:10 p.m.

Like the seatbelt program, it has not been totally, universally accepted. I would not say I am getting much mail of any kind, but in the last week or so I have had a couple of letters from irate grandmothers saying they've raised 18 kids and didn't need legislation like this telling them how to ride them in cars. They've taken their kids from coast to coast in cars and so on. Just as we've had a lot of people against seatbelts, we have a few who are against child restraints, but it certainly has not been a lot.

Mr. Samis: How many of those letters were from Niagara Falls?

Hon. Mr. Snow: I will have to check that. I have had some mail in that area.

Mr. Cunningham asked for copies of polls and surveys; I don't believe we have any to table. With the last question of this nature on the Order Paper, the answer from my ministry was that we have not had any polls or surveys taken in the last year.

Mr. Gilbert: We can review that again.

Hon. Mr. Snow: We will review it again. We have in the past taken some exploratory public opinion polls—I don't call them polls. After some of the noise-barrier installations we go along and do a survey a year later to try to find out from the people who live behind the noise barrier what their perception is as to reduction in noise, reduction in pollution, improvement in privacy, and on a number of different questions. This is to assess the effectiveness of the program. We've done things of that type.

If there are any polls, I assure you they will be tabled, but I don't know of any myself. Everything we have had so far has been tabled.

Mr. Hodgson: You do a lot of traffic-needs surveys.

Hon. Mr. Snow: Traffic needs and stuff like that is an ongoing program, but I don't think that's what the honourable member is referring to.

Mr. Samis: When the minister does that process of checking through, could he also check to see if the ministry has done any polls on seatbelt usage, either in 1981 or 1982? We

discussed it last year and I wonder if you have any new information on that.

Hon. Mr. Snow: I'm not aware of any new ones that have been done, but—

Mr. Samis: The feds did one. Remember, you were disputing some of their figures and you quoted some figures that show a much higher rate of conformity. I'd like to know if you've done anything since the survey you quoted last year.

Hon. Mr. Snow: I'm not sure whether there has been any update on that, but if there is you are certainly welcome to it.

Both honourable members mentioned the GO extension to Hamilton, Oshawa, the new system, and both mentioned the tendering process. As far as I'm concerned, the contracts for the construction of that system, other than for the vehicles themselves, will be tendered on the same basis as a highway or a bridge or anything else, through the ministry's tender office, through public tendering.

The vehicles and the design of the control system are items that will be contracted to Urban Transportation Development Corp., but the very major portion of the system will be built the same as any other right of way, the same as a highway or anything else.

Mr. Cunningham: Why the preference for UTDC?

Hon. Mr. Snow: We're using the UTDC system.

Mr. Cunningham: Why that system?

Hon. Mr. Snow: There is no other system to compete with it.

Mr. Cunningham: What have you got running from Oakville in?

Hon. Mr. Snow: The heavy rail system? Yes, that's going to continue in service for a great many years.

Mr. Cunningham: Why do you have to have the UTDC system? What's so special—

Hon. Mr. Snow: We can get into great discussions on that. The main reason we've gone to the private right of way and our own system, as compared to continuing with the heavy rail system, is the matter of cost and the fact that we cannot handle the projected ridership on the heavy rail system.

No way could we ever build a heavy rail system around the northern loop of our master plan. For a great many years we are going to continue using the heavy rail system as we have it today. The long-range plan, after the northern

link is completed, is to get the increase capacity we need by continuing through the lakeshore corridor with the same type of a system.

Our negotiations with the railroad are well known. We have gone to the double-deck cars to give us increased capacity. We have arranged to get an extra train going out as far as Port Credit, which is all we could get from Canadian National Railways. That has given us a little bit of extra capacity. I think it started October 1 or the middle of September.

There were a great deal of negotiations to get enough extra time on the right of way just for that. We could only go as far as the Port Credit turnaround, but at least that took some of the load off. At least more people have a seat now because those people who were getting on those trains when they came through Port Credit never had a seat. They stood all the way in.

Mr. Cunningham: For continuity, I will pursue this when we get to the vote.

Hon. Mr. Snow: The DeLCan study that we tabled showed the ultimate costs for four different options. All of them had the same capital costs for the lakeshore line. DeLCan was not looking at the overall master plan; they were only studying the lakeshore corridor.

If you recall the report, with our own system the operating costs were about 50 per cent of what the operating costs would be with the heavy rail system. In the long run, the operating costs are really what we are shooting for. We are looking at capital costs as well, but operating costs are ongoing.

Mr. Samis: Before the minister leaves that— as Mr. Cunningham said, we will pursue this when the appropriate vote comes up—was any consideration given to any technology other than the Urban Transportation Development Corp.?

Hon. Mr. Snow: If you recall the DeLCan study, four technologies were looked at: the present diesel rail system, an electric rail system using electric locomotives pulling cars, self-propelled electric heavy rail cars, and the advanced light rapid transit system. Those were the four options looked at.

When we took that report and then started looking at our own study of the need for the northern routes to connect into the Scarborough Town Centre and the North York City Centre, out through northern Etobicoke to connect to the airport, down through the Mississauga City Centre, up to Brampton and down to Oakville, there was no way you could

implement that type of system with heavy rail. I would not say no way, but it would be very difficult to implement that type of system with heavy rail. It just would not be acceptable to put a heavy rail line through that corridor.

Mr. G. I. Miller: Do you foresee this being extended as far as Hamilton and in other areas?

Hon. Mr. Snow: I will not say any more, but that is part of the announcement. That is what I announced. That is what we have been talking about for the last—

Mr. G. I. Miller: I always thought they were designed only for short runs, not for long runs.

Hon. Mr. Snow: We are talking about two different technologies. We are talking about the ALRT. We are not talking about the intermediate capacity transit system at this moment. They are two different technologies, but with the same type of a control system. We can discuss that in more detail when we get to the UTDC vote.

One thing that was mentioned was the overcapacity of the system at the end of the line. If you put enough cars on the system, it has far more capacity than you need for the outer end of the line, but you have to have the capacity in the central part of the corridor. So you end up with overcapacity at the ends, as far as the line is concerned, if you have the same amount of cars running on it. With the ALRT, you can have more cars running in the central sections than you will out at the end.

If we had spent the same amount of money or more extending the heavy rail at those ends, we would not have had the option to go to the ALRT system in the future. By starting at the ends with the ALRT and working towards the centre on the northern line and eventually on the Lakeshore line, we will have a system second to none in North America, a system that will service four million people in central Ontario. Four million people will have the opportunity to go by public transit to Toronto International Airport rather than everybody going in cars and taxis. It just makes so much sense.

As I have said before, it is going to cost a lot of money. People have asked me, can we afford it? My answer is, we cannot afford not to do it because there are no other long-term options. We have to work towards this overall system.

10:20 p.m.

Mr. Cunningham: I do not think you will get any disagreement from either my party or from the New Democratic Party generally on the route selections and the necessity for it. Our

commitment to public transit is well-documented. The only area of disagreement we would have is the implementation of it. We sincerely disagree as to how it is going to become a reality and what system we are going to implement.

Hon. Mr. Snow: I am sorry, I cannot hear you.

Mr. Cunningham: I just do not want the moment to pass without the record indicating very clearly that our preference would be that you set down your priorities in terms of capacity and you invite tenders from the transit manufacturers of the world.

I will go on record as saying not just Canadian manufacturers, because if we expect to sell our Urban Transportation Development Corp. technology to at least one half the places Mr. Foley has been to, then we cannot set up a trade barrier around our own jurisdiction particularly. I am still very mindful of the Bombardier Inc. experience we had in the late 1970s with regard to the Toronto Transit Commission and the streetcar arrangement. In hindsight, I still think we were right.

I think it is incumbent on us to invite these proposals and to contemplate other areas of technology. We can get into that in great detail. The only thing I would say to you is that you may find you will get a great deal of people from the Hamilton-Burlington area utilizing your system. You may not be here then—it is not for me to judge. But as I said to you in previous estimates many years ago, I think the demand is there. I think you have put in a good service and you will see it there. You just need to look at the GO parking lot in Burlington and you know it will be there.

As the member for Oakville, you are going to be the first guy to hear about Oakville and Mississauga users not being able to get a seat. That is another problem entirely. We can spend a lot of time on this when we get to the vote.

Hon. Mr. Snow: I am sure we will and I look forward to it.

The honourable member commented something about the skyway bridge project being announced four years ago. The schedule we are on now is exactly what I announced at that time. We are not ahead of it; we are not behind it. We have just one tremendous amount of activity which will be going on in that corridor in the next few years.

We have two contracts under way now on phase one of the project, which is the four-lane arterial road at ground level. Tenders are closing on another major contract on December 1.

That is only a couple of days away. About four more contracts are scheduled for calling in 1983. Most of them are in the balance of this fiscal year, but they are for 1983 construction.

Plans are now under way to tender the bridge itself—the major contract—which is about \$40 million. We hope to tender that early—during the first quarter perhaps—of 1983. When one takes into consideration the overall work that will be going on between the Queen Elizabeth Way and the Highway 403 interchange or the Freeman interchange between Freeman and Highway 20, I would say that some time next summer there will probably be as many as seven or eight contracts under way in that corridor, something in the neighbourhood of \$75-million worth of work in one stage or another going on at that time. That is where a lot of our resources are going to go this fiscal year and next obviously.

The scheduling and the pattern for the different contracts, are all laid out now. If you want details, when we get into the highway vote I can give them to you, as close as we can, as we have it set up right now, depending upon the availability of funding to some degree.

Mr. Kerrio: There is no problem with funding. Use BILD.

Hon. Mr. Snow: Unfortunately, there isn't enough BILD. If we could get a little more BILD, we could build a little more.

Unfortunately, the Burlington Skyway is not the only project I have in Ontario. There are a great many more around the province. We have Highway 406, which is not quite in your area. There is a lot of work going on down there, and I have referred to some of the others.

Mr. Cunningham mentioned the roadside cleanup matter. This is something that is of concern to me. I have often mentioned to my staff at our policy meetings the mufflers and what not I see lying along the side of the road. It's just a case of budget. Our maintenance budget is so restrained it is very difficult to have the manpower available to do the type of roadside cleanup I would like to see done.

We don't mow the grass as often as we used to. We don't paint the posts and the signs and so on as often as we used to. It's just a matter of trying to keep our maintenance costs within the budget. Every thousand dollars we spend picking up pieces of rubber—and I must say I like to see them picked up—is a thousand dollars we don't have to lay asphalt. It all comes out of the same provincial highways budget.

We try to maintain the system at a very high level. We're not letting our system deteriorate

as they have in the United States. They have a horrendous mess down there with deteriorating bridges and highways, and now Mr. Reagan has put on his five cent tax.

Mr. Samis: Congress and his own party forced him into that one. He was opposed to it at first.

Hon. Mr. Snow: I don't have anything to do with US politics, but I just know they had to do something. We get reports back on what's going on around the world in other systems.

The federal government in the United States put hundreds of millions of dollars into the construction of the interstate system. They don't put a dollar into maintaining it. Consequently, the interstate system has been built over a number of years, some of it 20 or 30 years ago, and nothing has been spent on maintaining it. I don't drive it, but people tell me it's in terrible shape in some areas.

Mr. Samis: Apparently there is one highway in Arizona that was so bad they dug up the pavement and turned it into a gravel road. The people figured it was safer in that condition.

Hon. Mr. Snow: I get these kinds of reports back. We are not letting that happen. Maybe we have not been able to do as much new construction as we would like to because we put funds

into resurfacing and work of that type. It is not as glorifying as building a brand new highway someplace, but we think our highest priority is to maintain our existing infrastructure and not let it deteriorate.

Mr. Cunningham: I wasn't complaining about that, but just last week on two days running I passed truck racks on the side of the highway. These kinds of things can cause great difficulty for the travelling public.

Hon. Mr. Snow: I hope they get picked up.

I can't say any more. I know the situation. I would like to see the weeds cut more often. I would like to see the pickup done more often. I would like to see the white lines painted more often; there are a great many things. We try to maintain the system to a high level, but do it as economically as possible.

Now, Mr. Samis, starting—

Mr. Chairman: Perhaps that is a good place to stop, at the end of the minister's reply to Mr. Cunningham's remarks.

Hon. Mr. Snow: I was just getting going.

Mr. Chairman: We can continue with the estimates next Monday.

The committee adjourned at 10:29 p.m.

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Gilbert, H. F., Deputy Minister



Ontario. LEGISLATIVE ASSEMBLY

No. T-2

Legislature of Ontario Debates

Official Report (Hansard)

Standing Committee on Regulations and Other Statutory Instruments

Estimates, Ministry of Transportation and Communications



Second Session, Thirty-Second Parliament

Monday, December 6, 1982

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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Contents of the proceedings reported in this issue of Hansard appears at the back, together with an alphabetical list of the speakers taking part.

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LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Monday, December 6, 1982

The committee met at 8:05 p.m. in room 151.

ESTIMATES, MINISTRY OF TRANSPORTATION AND COMMUNICATIONS (continued)

On vote 2701, ministry administration program:

Mr. Chairman: As we have a quorum we will get this evening's meeting started.

I have had the opportunity to talk today to the House leaders and the two opposition critics about Monday, December 13, and we are in agreement that we will be sitting that afternoon right after orders of the day, as well as on Monday evening. So we have set up the Toronto Area Transit Operating Authority and the Urban Transportation Development Corp. for the afternoon and evening respectively on that date.

Before we start this evening's meeting and the minister's reply to the NDP leadoff statement, I understand that Mr. Samis would like to bring up a procedural motion.

Mr. Samis: Yes. I would like to get the opinion of the Liberal critic and the minister. Since we've designated Monday for both TATO and UTDC, and we knew in advance we would have the Ontario Highway Transport Board representative here tonight, I was wondering if it would be acceptable if we could designate this Thursday as the day for the roads vote.

I see an advantage in that in dealing with people in caucus who want to bring up particular problems; we can tell them Thursday is the day when we are dealing with provincial highways and roads. I wonder if the minister and Mr. Cunningham would be agreeable to that?

Mr. Chairman: Mr. Cunningham?

Mr. Cunningham: Fine with me.

Hon. Mr. Snow: That's okay with me. I'll talk about roads any day of the week.

We've never talked about roads for the last five, six, seven years, so maybe it would be—

Mr. Chairman: It seems like a reasonable suggestion to me. At the last meeting Mr. Gordon indicated he would like to talk about that.

Mr. Samis: Yes. We could also accommodate

Mr. Gordon and anyone else who might have a problem about a particular highway or road he wants to bring up.

Mr. Chairman: Very good. So we are agreed on that? Fine.

Hon. Mr. Snow: I believe last Monday night I had just finished replying to Mr. Cunningham's opening statement when the evening came to an end, so I'll carry on tonight in reply to Mr. Samis' remarks.

Following his general opening remarks, relating to how difficult the year 1982 had been and making some remarks about the ad valorem tax—I don't recall exactly what those remarks were, but I had "ad valorem tax" written down here. I presume you were referring to the revenue that produces.

Mr. Samis: More the impact on the motorist rather than the revenue.

Hon. Mr. Snow: I believe our province was the last province to adopt the ad valorem tax on gasoline, but that has really nothing to do with these estimates.

Mr. Samis: Mr. Jones' presence provoked me.

Hon. Mr. Snow: It is something that has been discussed in the Legislature many times. Certainly the high cost of fuel has had a major impact on transportation of all types, as we all know.

The next comments were regarding the Dangerous Goods Transportation Act and asking for an update and the position of the federal regulations on that matter. The latest information I have from my staff, who have been in touch with the federal officials, is disappointing to me because we seem to be sliding back further and further every time we get an updated report.

I had a telephone call from Mr. Pepin myself about three weeks ago suggesting he might be able to go ahead with a portion of the federal regulations and get them implemented at an earlier date. He asked me for my opinion as to whether those regulations would be helpful to us ahead of getting the total regulations in place.

We looked into that and I sent him a telex back saying yes, although we would probably

have to make some amendments to our legislation to co-ordinate with the partial regulations. We said we would be prepared to do that.

I understand there are three major volumes to the regulations and only one volume has been gazetted for the first time. Mark, is that right? Yes.

There are two other parts to be gazetted, and after the feedback they all have to be gazetted a second time. The target date we are given now for those regulations is May or June of 1983. That's all I can really tell you.

Mr. Samis: Can I just ask you, what has been the problem?

Hon. Mr. Snow: The very complex nature of these regulations and their very volume, as I understand it, and the great deal of consultation the federal ministry has had with both the transportation industry and the manufacturing industry on these regulations. That has just taken a great deal of time.

It's not a little, thin volume of regulations. It covers literally thousands of different products. I have not seen the total volumes. I don't know whether we even have them or not. We certainly have drafts of some of them which have been forwarded to us for consultation.

Mr. Samis: Are they just running into problems that they didn't anticipate? I mean they knew it was a complex matter several years ago.

Hon. Mr. Snow: I guess they didn't realize how complex it was until they started to regulate and started to get the coding for all these different products.

I can't begin to answer in detail for the problems the federal minister is having, but I tell you that each time we meet it's on our agenda. We have expressed our concern every time. At every ministers' meeting we've had for the past five years this has been a matter for discussion.
8:10 p.m.

I really don't have any control over the situation. We have passed our legislation; we are ready to implement but cannot implement without having the regulations. It would be impossible for us to have our own regulations. We would run into the same problems as they would if we tried to draft our own, plus there is, as I've said many times, the necessity to have uniform regulations for all provinces across the country.

Mr. Samis: You are confident of the spring of 1983?

Hon. Mr. Snow: I'm not confident, no.

Mr. Stokes: He is just hopeful.

Hon. Mr. Snow: I'm hopeful, but how could I say I'm confident for May or June of 1983, which is summer, to my knowledge? Not quite, I guess; summer doesn't start till June 21.

Mr. Samis: June 21.

Hon. Mr. Snow: It's pretty close to summer. All I can say is that we will keep on top of the thing in working with the federal government and helping them in any way we can. I have had so many different dates given to us over the past two years that I can't say I'm confident. All I can say is I'm hopeful.

The third item I have was our relationship with the Ministry of Northern Affairs. I don't know exactly what your concern is there.

Mr. Samis: The uniqueness of it.

Hon. Mr. Snow: You made a lot of comments about Emperor Leo I, I believe, and things of that type.

Really, I have to say that the relationship between Northern Affairs and the Ministry of Transportation and Communications has worked very well. I have to admit that in the beginning I wondered how we would work out splitting the budget between the north and the south, but MTC is totally responsible, of course, for the municipal roads side in northern Ontario, the same as we are in the south. We're totally responsible for the maintenance side.

Mr. Stokes: But he sets the priorities.

Hon. Mr. Snow: Not for maintenance and not for municipal roads in any way. The only place where the two ministries are involved is in the capital construction of highways in northern Ontario.

Mr. Van Horne: Could I interrupt? I have been in and out of these meetings and I may be taking advantage of the minister because he is in the middle of the response.

Mr. Stokes: No one takes advantage of that minister.

Mr. Van Horne: I just wonder, when was the last time you or one of your colleagues drove Highway 69 from Sudbury down to its end?

Mr. Chairman: If I might say so, that point was brought up at the last meeting. I believe we will be discussing that this coming Thursday.

Hon. Mr. Snow: I drove it last summer.

Mr. Van Horne: You drove yourself?

Hon. Mr. Snow: No, I was driven in a car. I have driven it myself too. I drove quite a lot of it myself last summer as well.

Mr. Van Horne: I find it a horrifying experience and I've driven it many times in the last few years. I just wanted to draw that to your attention.

Mr. Chairman: I drove it on Saturday evening.

Hon. Mr. Snow: Mr. Chairman, am I supposed to be replying to the New Democratic Party critic or are we in general debate? I just want to know.

Mr. Chairman: Yes, you are replying. I'm sorry we interrupted you. Please continue.

Hon. Mr. Snow: The Highway 69 that the honourable member refers to is not in any way in the Ministry of Northern Affairs end, which we were discussing. At least, very little of it is.

Really, it has worked out very well. Once the priorities are set, we have meetings. The staff meet and the two ministers meet each fall to confirm the priorities for projects we're going to do.

Our meeting was supposed to be tomorrow morning. Then it was deferred, and I think we're meeting on Friday morning, or whatever, to set up the program for 1983 and the preliminary program for 1984.

Mr. Stokes: Like the Detour Lake road?

Hon. Mr. Snow: The Detour Lake road was not part of the normal program.

Mr. Stokes: That's right. It was under the Board of Industrial Leadership and Development program.

Hon. Mr. Snow: It was an add-on, a special initiative in northern Ontario. Part of it came out of BILD and part of it out of the regional priorities budget for northern Ontario.

Mr. Stokes: So why are you taking it off our northern highway budget?

Hon. Mr. Snow: I am not taking anything off your northern highway budget.

Mr. Stokes: Somebody in that cabinet is. They are trying to take it away from the Board of Industrial Leadership and Development and put it on the normal northern Ontario capital budget. We are not going to sit still for it.

Mr. Cunningham: They are going to take it out of BILD?

Mr. Stokes: They are saying that BILD is not going to fund the Detour Lake road, so it will be taken out of the normal allocation for capital expenditures in northern Ontario. It won't wash.

Hon. Mr. Snow: The Detour Lake road is built, basically.

Mr. Stokes: Yes, that is right, but I am told by people pretty close to the scene that they are trying to take the money to pay for it out of our Northern Affairs capital budget rather than out of the BILD program.

Hon. Mr. Snow: I think you are referring to discussions regarding next year's budget. It has nothing to do with this year's.

Mr. Stokes: That is what we are talking about.

Hon. Mr. Snow: Which are we talking about? We are talking about the 1982-83 budget right now.

Mr. Stokes: No matter how you cut it, if you're going to take funds out of our normal road allocation that should have come out of BILD, it is just not fair.

Hon. Mr. Snow: We have not established next year's program. I think I can safely say that did not happen in the 1982-83 fiscal year budget, which is the estimates we are considering here now.

Mr. Stokes: I am glad to hear it.

Hon. Mr. Snow: The full program that was planned for northern Ontario has been implemented with minor adjustments and the vast majority of the Detour Lake road has been built. There is some work to be carried on in the next fiscal year.

Mr. Stokes: About \$7 million or \$8 million.

Hon. Mr. Snow: Some of the gravel surfacing and so on is to be done. I think the total road is to be in service by July 1983 or thereabouts.

To go back, I think the relationship has worked out very well. The priorities have been set. Once the priorities have been set, we have gone ahead, implemented the program, called for tenders and awarded the contracts. I think it has worked out quite well.

In addition to Mr. Bernier's annual road program money in northern Ontario, he has had his regional priorities budget. He has been able to supplement the road program in a lot of ways out of his regional priorities budget. This is something we were not able to do because we did not have that budget.

The comments I am getting from northern Ontario is that they have really seen a difference in additional road work. There has been additional road work, basically because of the add-on. I think it has worked out very well. Most of the people at the Ministry of Northern Affairs are former Ministry of Transportation and Communications people anyway, so they have

the best possible people available. Look all over the government and you'll find that the most senior and best administrators in the whole of the Ontario government, in all ministries, came from MTC.

Mr. Cunningham: That's the problem with the MTC. They're all soft city guys.

Mr. Samis: You knew you would provoke a reaction with that one.

Hon. Mr. Snow: The next item I have is the truck safety report. I expect Dr. Uffen to submit his report to me in January or February. He has completed his hearings now and is well along in writing his report. I am looking forward very much to receiving it. I think Dr. Uffen has put a great deal of conscientious effort into this. He has looked into it from an unbiased position. He has heard both sides on many of the issues.

I have no idea what his recommendations are going to be. I'm looking forward very much to getting those.

Mr. Samis: I presume you were pleased at the announcement in the United States last week.

Hon. Mr. Snow: I am coming to that. Just give me time.

Mr. Samis: I had it ahead of that one on mine.

Hon. Mr. Snow: I wrote the same as you talked.

Mr. Samis: That is what I did, too.

8:20 p.m.

Hon. Mr. Snow: The next item I have is the Public Commercial Vehicle Act review committee. As you know, we have now distributed the discussion paper or interim report—whichever you wish to call it—that has come forward from the PCV Act review committee. It has a lot of interesting, thought-provoking suggestions. I expect the final report from the committee next April. There are some outstanding items. The committee wants feedback with the publication of the discussion paper and I am sure they will get it.

Some of the truckers I have talked to unofficially—just seeing them here and there from time to time—have indicated they are very pleased with the report. As always, they say there are a few things in it they do not like—one thing here and one thing there—but generally they are very happy with the interim discussion paper. We will, I hope, get their final report and recommendations in April. We will then review them very carefully and proceed with the drafting of a brand new piece of legislation to

regulate the trucking industry in Ontario.

The drafting will take some time. Nothing will be ready for the House before the fall of 1983. More realistically, it will probably be the spring of 1984 before a new bill could be through all the processes and be ready for consideration by the Legislature.

Mr. Nixon: He may be the minister.

Mr. Samis: Do you think there will be that many by-elections?

Mr. Nixon: It is a possibility.

Hon. Mr. Snow: I am not so sure.

Mr. Nixon: Nothing in this world is sure.

Mr. Van Horne: I want to know what you have on the Premier that makes him leave you there so long.

Hon. Mr. Snow: Confidence, total confidence.

Mr. Cunningham: One more leadership campaign.

Hon. Mr. Snow: Seven years and two months tomorrow.

Mr. Nixon: We ought to have a party.

Hon. Mr. Snow: Maybe we will.

Mr. Nixon: What are you doing later on?

Hon. Mr. Snow: I think the trucking war update has overtaken us since last week, with President Reagan's announcement that he has lifted the moratorium. Things are back to normal. As I understand it, they are proceeding with the applications that were held up last February by the Interstate Commerce Commission. We will just have to see how everything works out.

I would like to compliment my assistant deputy minister, Mark Larratt-Smith, who did a tremendous amount of work on this with the other provinces, with the federal government and with the US federal department responsible for internal affairs. If anybody deserves a lot of credit at the staff level, Mark does.

The next item I have was discussions with regard to the annual inspection of all trucks. I expect there will be some comment on this matter in Dr. Uffen's report. It is something we have looked at very carefully. There are 630,000 commercial vehicles, I believe, in the province. We have looked into setting up an annual inspection system for all vehicles the way we do now for school buses and dump trucks, for instance. It would be rather costly for our ministry, and that is the problem we have in the safety and regulatory branch of the ministry.

Our startup costs for such a plan would be

about \$1 million, I understand, with an operating cost of about three quarters of a million dollars annually. That is just the ministry cost. That does not, in any way, address the cost to industry themselves for the inspections. We have not proceeded and will not proceed until we see what Dr. Uffen's recommendations are. If he recommends full inspection or partial inspection or whatever, we will look very carefully into that.

There were a number of items you asked about regarding the rail and marine office. I have a lot of lengthy comments here in response to your questions. If it would be all right, I would ask that these be distributed to the two critics rather than take up the time of the committee. There are a number of responses regarding the rail services, northern rail and the master rail plan. We have comments regarding the rail lines, abandonments, things of that type.

Mr. Stokes: Can I have a copy of that?

Hon. Mr. Snow: Yes. We can make sure Mr. Stokes gets a copy as well.

Mr. Cunningham: Just on a point of clarification, did that question pertain to that truck roll-off facility in Oshawa?

Hon. Mr. Snow: I am coming to that. I will comment on that. There were questions regarding the GO train expansion.

Mr. Samis: Are you are not going to report verbally on the master rail plan? We can skip the specific recommendations, but I would appreciate a verbal report on the status of the master rail plan.

Hon. Mr. Snow: We certainly do not have a master rail plan completed. We have been working on different sections. We have done studies, for instance, on the Huron-Grey-Bruce area relating to abandonments. We asked the Canadian Transport Commission to hold up any abandonments in that area until we had time to take an overall look at that area. There has been a plan developed which I think has been sent to CTC. There have been some hearings on that. I think that has been helpful, but due to the limited resources we have available at the time at hand, we certainly have not responded fully to the recommendation of Mrs. Scrivener's task force that we create an overall master rail plan of the province. Eventually we may get around to being able to say we have completed that, but we certainly cannot at this time.

I had some figures here regarding the GO extensions to replace the Via Rail facilities, the Barrie and Stouffville trains that were discon-

tinued. The total cost we have expended to date on that is approximately \$5.8 million, of which about \$3.6 million was for equipment, \$1.5 million for buildings and facilities, and between \$700,000 and \$800,000 for wayside power supplies at the overnight pens of the lines. The total is \$5.8 million. The ridership presently is about 700 passengers per day on the Stouffville line and 650 on the Bradford line.

Mr. Hodgson: While you are on that, what does CN charge for the use of the rail?

Hon. Mr. Snow: That is a very complicated thing to tell you. We have an operating agreement with CN whereby we pay for the use of the rail. We have put in certain capital expenditures, although we have done minimal capital expenditures on those two lines. Then we pay operating costs, so we pay the CN staff to operate. It is not a bill I can just give in a simple figure. We have tabled from time to time our agreements with the CN, which are very detailed agreements covering a great many things.

Mr. Hodgson: Has there ever been an estimate done on the cost per passenger?

8:30 p.m.

Hon. Mr. Snow: Our target is to get 65 per cent of the operating cost from the fare box. We are not getting that quite at this time because every time we have tried to bring our fares to the position to work towards that, inflation takes over and the increased costs of fuel and things like that boost the cost. We are under 60 per cent right now, although our operating cost comes from the fare box.

Mr. Hodgson: What about the Richmond Hill line?

Hon. Mr. Snow: The GO Transit people will be here next Monday afternoon, but I doubt whether they would have that. That only started up in September.

Mr. Hodgson: Richmond Hill.

Hon. Mr. Snow: Oh, Richmond Hill, no, I am sorry. We can ask whether they have the cost revenue ratios on the different lines. I can give you the ridership on all the different lines. I have those figures with me here tonight. Anything I have here would not give us the cost breakdown between the different lines.

On the bus service to Barrie, I do not believe that there was any additional capital cost there. There is a bus that connects with the train at Bradford and goes on to Barrie. There is one bus that operates there. It is carrying about 20 passengers each way per day. There are no

other carriers that connect to the GO stations at either Stouffville or Bradford.

The member requested information about a bus service to Havelock. We have not put on any bus service to Havelock.

Mr. Samis: Not to Havelock, but since the abandonment of Havelock.

Hon. Mr. Snow: Since the abandonment of Havelock, Voyageur runs three trips each week day between Peterborough and Toronto and Travelways put on a special service connecting from Lindsay down through the area where the Havelock train used to pick up most of their passengers. It connects to the Pickering GO station and then comes on into Toronto. It is carrying about 30 passengers a day on that bus. I understand that the bus coming from Peterborough also stops via Pickering but not too many passengers are transferring.

Although the indication was last summer they wanted a bus connecting to Pickering, those that are riding the bus tend now to want to ride it all the way into Toronto and not change. They told me they did not want to do that, but they wanted to get off and get on the train. However, the figures we have to date will show that is not what is happening.

Now we get to Lakespan. I guess you were asking about the cost of the Lakespan venture and what happened. There are two areas of cost. One was a guarantee by the Ontario Development Corp. and also through BILD of a \$1.5 million loan. A loan was guaranteed for that amount for the initial operational financing. The operation has gone out of business. That was a secured loan and I cannot tell you exactly where that stands at this moment, but because of the security that was lodged by the company, I understand they expect that loan guarantee will be repaid.

In addition to that, a \$1.1 million operational subsidy was provided to Lakespan by this ministry to allow them to continue their operation through the winter of 1981-82. Lakespan started in business late in the year, much later than they had anticipated. By the time they got their ship, had it modified to meet the Canadian standards and actually got it into service, it was late September, I believe, before they made their first trip, although they had hoped to have it in service in May or June.

Very soon they were in financial trouble with the extra costs they had through the summer. I have to tell you they did not do a good job of marketing the service in the early stage. They started out with a very minimal amount of

traffic. We felt at the ministry that when they had gone this far we should at least try to keep it going through the winter months to prove that this kind of a service was viable.

Mr. Samis: Can I ask you to expand? This is the second or third time you have referred to poor marketing. Can you expand on that remark? What was so poor about it?

Hon. Mr. Snow: I do not know how I can expand. They just could not get out and sell the service. They just did not do the job.

Mr. Cunningham: Was the business there?

Hon. Mr. Snow: A considerable amount of business was there. The economy hit them at a bad time too. I cannot blame them totally, but they did not get out. They basically went, I think you could say, to a bunch of truckers and said they were going to run a boat across the lake at the time when the trucking industry was experiencing a lack of business itself. They did not get to the shippers, the major bulk shippers that had large cargoes. They did later on and they had a considerable amount of business coming early in this year, when they decided to cancel the service. I think better marketing and better promotion before they actually got the boat in the water, shall we say, might have been a lot better, but we did prove the service was viable. We proved that it could operate year-round in Lake Ontario in winter conditions.

In June they terminated the service because basically the shareholders, which were CN Marine and Rideau Shipping, decided they were not going to put any more money into it. We were not going to put any more money into it ourselves. We had agreed to supply sufficient funds to assist with the deficit over the winter months on the understanding they would run through the winter. When we proved that the service was viable at that time, there were a lot of letters over the course of a two- or three-week period, when it came right to a crunch at the end, from shippers urging that every assistance be given to the company to maintain it. These were from shippers who had found the advantage of moving their products across Lake Ontario.

Mr. Samis: Do you consider primarily that they were a victim of the recession?

Hon. Mr. Snow: There were a number of things, and I do not want to condemn anybody. I think it was a small toad in a big puddle as far as CN Marine was concerned. I do not think they put their best input into it at the beginning until it got into trouble. Then they started taking a

little more notice of it when the red ink started flying around. The financial control of some of the staff they had in the beginning was disastrous and the management was not getting proper financial reports from the man it had hired to be the comptroller or whatever. It was a number of these things.

I think if the economy had been better, with better marketing the thing could have proved successful. I think another thing they found out, and one of the reasons they decided to cancel the service, was that the ship they had was not the right ship. To make it a viable service, they needed a bigger ship. The agreement they had on this was a lease-purchase type of thing and they had a certain date by which they had to make a decision to either buy it or let it go back to Norway.

Mr. Samis: What did happen?

Hon. Mr. Snow: I do not know. I guess it went back to Norway.

Mr. Gilbert: They put it somewhere else.

8:40 p.m.

Hon. Mr. Snow: They did something with it. It disappeared out of Oshawa harbour after it was held for a while because they owed some money.

I still think an across-the-lake ferry service on Lake Ontario, probably on Lake Erie and maybe even in other locations is a viable operation under the right economic climate. However, it cost us \$1.1 million. I guess it cost them a lot more money than that to prove the service could run all winter and to prove there is a market there for it under the right circumstances. It is to be hoped that some day some other private entrepreneur under better conditions will see fit to—

Mr. Samis: Just before you leave that, can I ask you if there is any other example of a similar service in operation in North America?

Hon. Mr. Snow: I do not know.

Mr. Gilbert: There are ferry services.

Hon. Mr. Snow: There are lots of ferry services.

Mr. Gilbert: It is not a comparable model at all.

Hon. Mr. Snow: There is not that exact type.

Mr. Gilbert: There are lots in Europe.

Hon. Mr. Snow: To my knowledge, there is nothing exactly like that. There is much better equipment available than they had. There is a type of equipment available where they use

barges. They look like a laker when they are together with the two sections—there are something like three barges. One would be loading at one side, the other would be unloading, and one could be in shipment. The motor power could be moving backwards and forwards continuously. I think it is manufactured in New Orleans or someplace like that. I saw the information on it. It is quite a piece of equipment. That would be ideal if you had the volume using it

There was one thing about it. The service had tremendous support from the seamen's union. I will say they tried to co-operate with the company in every way to make that service work. So we cannot say they did not try to do—

Mr. Nixon: You gave them \$1.1 million.

Hon. Mr. Snow: Yes, \$1.1 million. It was an experiment; it was research. It could be called a lot of things. We wanted to see if—

Mr. Stokes: That is not nearly as much as we are paying Via Rail and getting not very much for it.

Hon. Mr. Snow: I was disappointed it was not successful, but I think that we gave it our best and that they did too to a degree. With the economy the way it was, even though freight was picking up, the fact that they had to make a decision on the boat, to keep it or let it go—I do not know which is the right word—and the mere fact that they did not think it was the right piece of equipment, CN generally and CN Rail were having financial red ink in many sectors and they decided this was one place they could—

Mr. Samis: What was the actual length of the experiment then? Was it about 18 or 20 months?

Hon. Mr. Snow: No. It was about eight months.

Mr. Samis: Just eight months?

Hon. Mr. Snow: It started about September when they actually got into service in the fall and it ran through till about April or May.

Mr. Nixon: The very worst time they could have picked really.

Hon. Mr. Snow: As I said, they intended to be in service in the spring of 1981. Then with all the delays and what not, it ended up that they did not get into service until the fall. There was a number of things.

We have some notes on the marine task force. We shall supply you with copies of these things. A study to develop a long-term strategy recommends a program for construction and improvement. A rationalization of the Ontario ports is in the preliminary stages at this time. That study

will be funded 50 per cent by Transport Canada and 50 per cent by the Ministry of Transportation and Communications. We have not as yet retained a consulting firm to carry out that study, but we expect to have one by mid-January of 1983. Then the study will begin. It will probably take about a year to complete.

We have been working at one of the recommendations on a public promotion program for the marine mode. A film is being prepared at this time. I believe it will be shown at Ontario Place and will be available for showing in many other areas to really try to make the general public aware of the marine mode and what it can do. The average person in Ontario will sit here and watch Lake Ontario, Lake Erie, Lake Huron and so on and not realize the major transportation link that is there.

When people talk about the St. Lawrence Seaway, so what? The average person does not use it. The amount of freight, for instance, that moves through Thunder Bay—I cannot keep all the figures exactly in mind—

Mr. Stokes: They just established a record.

Hon. Mr. Snow: Yes. They have had a tremendous year. I think 60 per cent of the grain that moves out of western Canada moves through the port of Thunder Bay and the tonnage has been tremendous. The Thunder Bay Harbour Commission has initiated a joint master plan with the federal Transport Canada.

My ministry, Northern Affairs, the city of Thunder Bay, the harbour commission, all came up with a major master plan for Thunder Bay harbour which is quite impressive. The federal government has now come up with this new Ontario Ports Corp., which is just in the formation stages. There is going to be an Ontario advisory committee, the Regional Advisory Committees or some such name. Anyway, there is going to be an Atlantic committee, an Ontario committee and a western committee that will advise on all kinds of port matters. These are federal committees. We will have a representative or two, certainly on the Ontario committee, and we hope to have one on the western committee.

We realize the marine mode is mainly in the federal realm of responsibility, but it is very important to the economy of Ontario and in one way and the other supplies a tremendous amount of employment. I think the Misener report was well received. We are proceeding with some of the recommendations. A study is going on about the possibility of a port at the Bruce energy centre; that is jointly funded by the federal

government and ourselves. That one is not in yet. It is getting nearly completed though. It is just a preliminary study to look at the feasibility of a harbour at that particular location.

The next item I have is questions regarding the bus committee. I have some material here that will give you the terms of reference on the membership of that committee which we just formed earlier this fall. The committee is made up of representatives from industry and municipalities in different areas. You have the makeup there. They have had three meetings and I believe they are holding the fourth one on Wednesday of this week. It is to be hoped that in a year or so they will come back to us with recommendations relating to the intercity bus industry similar to what we are getting from the Public Commercial Vehicles Act review committee.

Mr. Samis: Is Curtis Carter still a member now that his status has changed somewhat?

Hon. Mr. Snow: We do not know at this moment. Mr. Carter was appointed a member of the committee as a representative of the Association of Municipalities of Ontario and as mayor of the city of Chatham. I understand he was not re-elected. I think he is discussing with AMO as to whether he should resign from this committee and whether they should appoint someone else or whether they wish him to carry on as the committee member representing AMO, even though he is no longer the mayor of Chatham. I cannot answer that question. I probably could in a week or two when we hear from him.

8:50 p.m.

It is in the preliminary stages. The Toronto bus terminal was your next question. We have been working with GO Transit, the intercity bus companies, Metro, the Toronto Transit Commission and the city of Toronto to try to define the needs and the location. We know of the need for a new intercity bus terminal. Considerable progress is being made. Two main locations have had a lot of work done on them as far as evaluation is concerned. We are not yet in a position where any decision has been made.

Mr. Samis: I presume Mr. Parsons can fill us in on the details?

Hon. Mr. Snow: I would hope not.

Mr. Samis: Not?

Hon. Mr. Snow: I do not think we should be discussing the sites at this time.

Mr. Samis: I am not saying the sites specifically, but the thrust of my question was what progress had been made since I raised it last year.

Hon. Mr. Snow: I have just told you. A lot of progress has been made, but I do not want to start discussing individual sites.

Mr. Samis: No.

Hon. Mr. Snow: It is pretty hard to discuss anything intelligently without discussing sites.

Mr. Samis: Are the discussions serious?

Hon. Mr. Snow: Very serious. The mayor of Toronto, the chairman of Metro, the president of Gray Coach Lines Ltd., the chairman of TTC and so on have all been in on these discussions.

Mr. Samis: Is it a greater level of seriousness than anything you have experienced?

Hon. Mr. Snow: Yes.

Mr. Samis: Is there the possibility of an announcement in 1983?

Hon. Mr. Snow: I would say it is possible, yes.

Mr. Samis: Possible.

Hon. Mr. Snow: I will not guarantee it in 1983. Everyone has not agreed on everything yet, but we are narrowing down the options.

Mr. Samis: I trust you are not dealing with Canadian Pacific? The mayor does.

Hon. Mr. Snow: No. We shall leave that to the mayor of Toronto.

Mr. Samis: I will bring it up with him within the parameters you have so rigorously defined.

Hon. Mr. Snow: We have been talking about it for years. Everything that has been suggested does not turn out for some reason or another, but I really do think we have quite a general degree of agreement on a possible site. There is still some more work to do because we have to look at traffic patterns in consultation with the city of Toronto, the Metro traffic department, things of that type.

The next item I had was your concern with regard to the use of transit buses for transportation of school bus passengers. This matter is of concern to me. It is allowable for school boards to contract the transportation of children to and from school, using transit buses. We all know of the tragic situation in Hamilton in which a child was killed on a beach trip. Who is to say for sure that if it had been a school bus that child would not have been killed? There is no doubt that certain protections available on a school bus are not available on the transit bus. The Hamilton

Board of Education has decided to change that policy and use only school buses.

The other major area where transit buses are used for transportation of school children is Ottawa-Carleton. It is my understanding that the transit buses are used for secondary school students only and that junior school students are transported in school buses. Surely high school students should be aware enough to handle the situation—

Mr. Samis: Do you know if there are any other systems beyond Ottawa-Carleton?

Hon. Mr. Snow: Ottawa-Carleton is the main one. I cannot guarantee there are not others. I know in my own town of Oakville students go to school on the Oakville transit buses, but they do it by buying a ticket. It is the same as if they were going across town for any other purpose.

In some areas the school boards buy tickets from the transit systems and supply them to students to ride public transit. There they are not riding designated buses; they are just riding public transit buses along with everyone else. I understand that is practised in some areas.

Mr. Chairman: Before we leave that topic, Mr. Cunningham wants to make a comment.

Mr. Cunningham: It is just a brief comment on the subject of school buses. I have a concern and I would like to relate it to you. It relates, in part, to the township of Flamborough. At any one time there are three buses chasing each other down a dusty concession road with separate school passengers, Dutch Christian school students and students from the public school system. Occasionally there is even a high school bus behind them.

It is partly a local problem. I am advised reliably from my friends in the Christian school community that there is some vague Ministry of Education reference that does not permit the children of the Christian school to be transported on buses that are funded by the public.

I do not want to get into that particular issue, as much as I would like to, because it is not germane to this discussion. From a safety point of view and an energy point of view, it really is bananas to have one bus with six children, another bus with 11 and another group with another small number, all going down the same concession and passing the same farms, to get children to school in one particular central area. I think you are inviting mishap by having these extra buses on the road; you are increasing by threefold the potential danger that could exist.

Is there any way through moral suasion that

this ministry can encourage the Ministry of Education to re-evaluate its position on this, to use their offices to co-ordinate and encourage all boards to co-operate to save energy and thus save costs? I have some comparative figures at home with regard to what it cost before and what it costs now. The costs now are much higher.

Hon. Mr. Snow: I can understand the problem with the Christian school students—we have one of those schools in my own community as well—because they are not funded out of provincial public funds. But there is nothing in our legislation that prohibits the same buses from hauling public and separate school children.

Mr. Cunningham: They maintain it is a regulation from the Ministry of Education.

Hon. Mr. Snow: Who maintains that?

Mr. Cunningham: I believe it is the Wentworth County Board of Education.

Hon. Mr. Snow: That may be. As I say, I can understand the one situation. I think it is mainly a scheduling problem. In my area the public school students are gathered up in a much smaller catchment area. Where I live, the junior school buses are going north when they are taking their students to school, whereas the high school buses are going south.

Mr. Cunningham: I know the configuration would be different in your constituency. In mine they all happen to be on the same road.

Hon. Mr. Snow: They are all going to the same community, I suppose.

9 p.m.

Mr. Cunningham: They are all going in the same general direction.

Hon. Mr. Snow: That really has nothing to do with our regulation. It is the board of education and how they plan the location of their schools and their system and so on. There is nothing in our regulations or laws that prohibits better utilization of their buses.

Mr. Cunningham: I make my comment in the context of safety and your responsibilities in that regard.

Hon. Mr. Snow: The next item I have is propane conversion and the question regarding its safety. I do not believe we have any reason to believe a propane vehicle is not just as safe as a gasoline one. Personally, I have reason to believe that it is safer. My ministry car is a propane vehicle. We have had it since January 1.

Mr. Samis: Factory-made, though.

Hon. Mr. Snow: It is factory-made. It was the first factory-made one that came into Canada, a Mercury Cougar, four-cylinder. It is a great little car. We have got 40,000 kilometres or something on it.

Mr. Samis: The concern I raise is about the conversion, not the factory-made.

Hon. Mr. Snow: I will get to that. We have had one recall. We got a call from Ford after we had it a while, saying there was some little thing wrong—I do not know really what it was—and they wanted it back in to have a look at it. They found nothing wrong, but they changed some little part.

A lot of conversions have been done on government vehicles and private vehicles alike. The control of the conversions comes under the Ministry of Consumer and Commercial Relations; they produce the standards and the regulations. We have pulled in 52 government vehicles at random so far and thoroughly checked them. There were two minor defects found in connection with rubbing, or something like that, but there were no danger situations or real defects to the surface.

Under the present pricing schedule, there is a considerable benefit from a cost point of view. The vehicles work very well. They do not have fouled spark plugs or anything like that. They start good, at least in the experience I have had.

Mr. Samis: Even in cold weather?

Hon. Mr. Snow: I was wondering about that because when we got this car it had a block heater with the cord sticking out the front as you would have if you lived in Parry Sound or Timmins or someplace like that.

Mr. Samis: How far north have you had that Cougar in the winter?

Hon. Mr. Snow: North of Steeles Avenue.

Mr. Samis: The banana belt.

Hon. Mr. Snow: I was really suspicious about whether these cars started well in cold weather. We had some pretty cold weather out our way last winter—as cold as you would get under normal circumstances in northern Ontario—and I only plugged it in one night. One night I was a little worried. It was a very cold night and I plugged it in. The next night I did not bother and it started right off, so we have had no trouble whatsoever with that. It was sitting outside too.

The first time we came up to 5,000 kilometres and went to change the oil—as you would normally do—the garage said the oil that came out of the car was just as clean as it was when it

went in. So there are considerable savings there; you require less oil changes and so on because the motor burns so cleanly.

It is an optional fuel to oil that is immediately available. There are no doubt others. Compressed natural gas is going to be, I think, another very good option as it gets developed, and hydrogen, methanol, all these others. Propane is the easiest one to get into right away.

Mr. Stokes: Where can you drive in Ontario and be assured you can get a supply of gas?

Hon. Mr. Snow: I think if you have a little perseverance you can go anywhere.

I went down to Belleville on Saturday afternoon for the opening of the Belleville bridge. We have two different booklets that list propane outlets and we looked up Belleville. All that was listed in that book was Superior Propane which in Belleville is open Monday to Friday from eight to five. That did not do us much good on Saturday afternoon, so I did not know whether we were going to get propane when we got to Belleville or not.

When I got to Belleville, I saw a four-wheel drive police wagon with a propane tank on the back, so I said, "The police must have propane around here someplace." We checked with them and found there were four or five outlets in Belleville that had propane. There was a Gulf station at Highways 14 and 401 with a propane tank; we had driven by it coming in and actually had not noticed the darn thing.

None of the outlets was listed in the books, so I think they are very out of date. I understand you can drive right across Canada using propane. I know there are four or five outlets in Oakville. We are trying to get the service centres on Highway 401 to stock propane, I don't know how we are making out. Are any of those in yet?

Mr. Gilbert: I don't know.

Hon. Mr. Snow: We have been working to get propane put into the service centres. I think there are almost as many propane outlets as there are diesel in the province overall. You just have to have a little perseverance.

Mr. Samis: How is the gas war in Belleville? Is it over? There were great prices there a couple of weeks ago.

Hon. Mr. Snow: I have no idea.

Certainly there is no trouble obtaining propane in the general area; we have no trouble in the area we know. I believe most Canadian Tire stores which have gas pumps are now putting in

propane. It is getting to be less and less of a problem all the time.

Mr. Stokes: In the south.

Mr. Gilbert: There is some in Thunder Bay.

Hon. Mr. Snow: I am not saying propane is the answer to everyone's problems. We have no trouble around here; we find the supply very good.

Really, the whole propane conversion program is aimed at the fleet operators; it is aimed at Bell Canada, Sears and all of their vans, the type of operation where they do not go far away from home and where they have their own pumps and tanks.

If I were a travelling salesman going from border to border in Ontario and not wanting to have to look around and worry about where I was going to get propane, I would not have a propane car, that is for sure.

Mr. Samis: Could I just ask before you leave this, since you say the Ministry of Consumer and Commercial Relations has responsibility for the inspections, to your knowledge has it done any inspections? Has that ministry had any recall or follow-up program at all to investigate the safety fear expressed by some people?

Hon. Mr. Snow: I don't know how much inspection they do; I guess they license the people who are doing the conversions. They are in charge of the Gasoline Handling Act too. They are in charge of the installations of gas pumps at service stations, underground gasoline tanks, all this kind of thing.

Mr. Samis: The fear was that if they were improperly installed, everybody else on the road was in danger if there was a rear-end collision. That affects everyone, not just the people driving.

Hon. Mr. Snow: I am not sure we have any indication that there is any degree of improper installation, certainly from the inspections that —

Mr. Samis: Yours is just on government vehicles; 52, was it?

Hon. Mr. Snow: Of all the government vehicles, 52 were pulled in at random. They were all checked out and, as I say, two very minor things were done, but they were not really considered to be serious defects.

Mr. Samis: It is too bad they did not have Bob Elgie on Marketplace instead of you.

Hon. Mr. Snow: I didn't see it; I know I was on it.

Mr. Samis: You are the only one who made it for Ontario.

Hon. Mr. Snow: I am a very available minister.
9:10 p.m.

Mr. Samis: For nonleadership.

Mr. Stokes: No. He was on Front Page Challenge.

Interjection: Bob was on last night.

Mr. Stokes: He was? What was the story?

Mr. Chairman: I would just like to point out to the committee members that we do have the Ontario Highway Transport Board here tonight and we would like to get going.

Hon. Mr. Snow: I only have three or four more pages of Mr. Samis' comments to reply to.

Mr. Chairman: Please continue, Mr. Minister.

Hon. Mr. Snow: There was some question about how much advertising money has been spent on the child restraint program. I said, I believe, in my initial comments to Mr. Cunningham last week it was over \$300,000.

The breakdown I have here is that \$314,500 has been spent on advertising. I explained the theory of our advertising; that it was aimed at a specific group. That does not include the money that was supplied to the Ontario Safety League for its promotional campaign on the loaner program. The total package of advertising was \$314,000, and that gave us reasonable coverage of the group we were targeting.

How I have bilingual projects in between child restraint and loaner programs, I don't know, but you made some comment about bilingualism.

Mr. Samis: Not in terms of your ministry.

Hon. Mr. Snow: I don't really know what it was about. The policy of this ministry is that we supply our services in the French language in areas of the province where it is appropriate, in areas where there is a significant French-speaking population.

Then we have driving instructor testers, etc., who are bilingual. I don't know what the deputy says, but certainly as far as I'm concerned we have had no complaints for some considerable period of time about not being able to deal with the French-speaking public.

Mr. Samis: No. You remember last year I complimented you on some of your initiatives.

Hon. Mr. Snow: If you complimented me, that must have been why I wrote it down.

Mr. Samis: I didn't compliment you this time.

Hon. Mr. Snow: Oh. On the loaner program, we have 51 programs under way in 55 different communities. I don't have a list of them all.

We supplied something in the neighbourhood of \$46,000 to the Ontario Safety League to help set up these programs. They are working quite well generally. It has never been our intention to buy the units themselves or supply money for the purchase of the units. We wouldn't attempt to try to and couldn't possibly do so. We've tried to assist the service club organizations that have wanted to set up these programs.

Before we get into plate-to-owner, the uniform fee, there were some comments about a "money-grubbing system." I don't know what that was meant to be.

Mr. Samis: Don't forget the one about being mugged by the car dealer.

Hon. Mr. Snow: The system is in and working now. It had a few pains; the computer broke down for half an hour, or whatever, last Wednesday.

But I have to tell you we got the biggest shock of our life last Wednesday morning. One or two agents told me they sold more licence stickers last Wednesday than they ever did on the busiest day in February. I guess our advertising of the plate-to-owner program was too effective because everyone was lining up on Wednesday morning to buy stickers. Everyone, I guess, wanted to get in on the new system.

As I say, on Friday afternoon I was talking to one agent who told me the busiest day he has ever had as an agent was on Wednesday.

Mr. Wildman: Just had a lot of birthdays at one time.

Mr. Samis: It's a new thing this year.

Hon. Mr. Snow: Well, it's a new thing. I think some people felt they had to rush in—

Mr. Wildman: Licence stickers for Christmas gifts.

Hon. Mr. Snow: We have made it very plain that the end of February is the last day for people to get their licence stickers this year, the same as it has always been. In my discussions and in the interviews and what not we've urged people not to leave it to the end. I did not tell everyone to rush in last Monday. Of course, last Monday the computer system was new, although it had been tested and retested. Although they had been trained to use the computer, the people out in the agency offices, including our own staff in our own offices, were still green at it.

I understand it is working well today. They

did have some lineups and some delays last week, but it's only normal. We didn't expect that kind of rush. If there had been a low volume, it would have let them get used to it, their efficiency would have improved and the kinks could have been ironed out.

We're into it now and, regardless of what everyone says, it does not produce more revenue for the provincial Treasurer because the reduction in revenue from the larger cars balances off and it produces about the same amount.

Mr. Stokes: You're taking more out of the north.

Hon. Mr. Snow: Oh, yes. We're taking about \$14 a year more out of those cars in the north.

Mr. Stokes: From \$10 to \$24.

Hon. Mr. Snow: You're still getting a good deal in the north. I haven't had one complaint from the north, other than from politicians.

Mr. Stokes: I'll send you some of my mail.

Hon. Mr. Snow: No thanks, Jack. I get enough.

Mr. Chairman: If it will make you feel better, Mr. Stokes, I was the first complainant.

Mr. Samis: It didn't get you far either, did it?

Hon. Mr. Snow: The saving with the fuel-efficient car occurs every time you drive up to the pump, not when you come to get your licence.

Mr. Stokes: I'll pay your registration if you pay my gas bill.

Hon. Mr. Snow: Mr. Samis had some comments regarding highway safety—the death rate, the reduction in deaths.

Don't ask me to explain why, but I have to tell you the last figures I have updated, which are from the end of August 1982, show the number of deaths is 27.3 per cent fewer than last year. If you will remember, last year's was the lowest number we had had for 20 years almost, since 1964. We were very proud of our accomplishment last year in reducing the number of deaths.

This year the number of accidents as of the end of August is down 25.6 per cent. The number of actual deaths—

Mr. Stokes: And the insurance went up 25 per cent.

Hon. Mr. Snow: Just a moment. That doesn't really affect insurance that much. It's the ones who live who cost the money.

Driver deaths are down 32 per cent; passenger deaths are down 33 per cent; pedestrian

deaths down 27 per cent; motorcycle driver deaths up nine per cent—

Mr. Samis: Again?

Hon. Mr. Snow: —motorcycle passenger deaths—it doesn't show a change here, but there should be one. Bicyclist deaths are down slightly, but not a percentage point.

Nonfatal-injury accidents are down 7.9 per cent; injuries are down nine per cent; property damage accidents down 1.9 per cent; and total accidents down 4.1 per cent.

Earlier in the year we were running a 35 per cent reduction in fatalities, but as we are getting on—this is the end of August—it's holding fairly well. We lost two percentage points from July to August, for instance.

I can't pinpoint the cause. I like to think it is a number of things we are doing, plus the fact that fewer miles are being driven. We know slightly fewer miles are being driven, but no significant number. It is the only year in which we have recorded fewer miles driven than the previous year; about one per cent or something like that. Usually the number of miles has gone up.

Motorcycle accidents are a concern. I don't have any answer to it, but there are more and more motorcycles on the road. We are trying to promote more training, which is basically carried out by the motorcycle industry and by community colleges that are putting on training courses.

We have introduced the probationary licence program for young drivers. We like to think that is having an effect, but we don't have any statistics on it yet. It has not been in force long enough.

9:20 p.m.

You mentioned the 16-year age limit. I forget whether you were for it or against it, but in any case, we are not proposing to change it.

You mentioned the photos on the drivers' licence. No one would like to have photos on drivers' licences any more than I would, but I have not been able to get the money in that part of the budget to do it. I hope we will at some time in the future.

Mr. Cunningham: You were considering that recently, were you not?

Hon. Mr. Snow: We consider it every year. It is on our wish list every year when we are making up the budget and we ask for additional funds for the driving, regulation and licensing branch of the ministry. I am not going to rob funds from ongoing programs—from safety checks, from trucking regulation enforcement,

safety checks on trucks and enforcement of other things like that.

Mr. Cunningham: Paving Highway 52.

Hon. Mr. Snow: Paving highways is in a different vote, but even within that vote we aren't going to take money out of an existing program to start something new.

Mr. Stokes: I have had letters from people who say they would not mind paying extra to have that included on the licence. They feel that strongly about it.

Hon. Mr. Snow: We have talked about that, but you know as well as I do, you have been around here the same length of time, that the Treasurer puts every dollar that comes in into the consolidated revenue fund and I have to argue to get it out.

I suggested a few years ago that we increase the price of drivers' licences \$1 a year to cover this. The Treasurer increased it but did not give me the extra money for the photos.

Mr. Stokes: What is the cost?

Mr. Cunningham: We are off the topic and we should—

Hon. Mr. Snow: I do not have an update. It seems to me it was \$4 million or \$5 million to start with and then \$2 million or \$3 million a year to run it. Those were the figures we had a few years ago.

Mr. Cunningham: This has been recommended by a number of people and I think it was recommended unanimously by the select committee on highway safety in 1977. One of your major problems in terms of safety and enforcement is unlicensed drivers. It is very hard to get at these people. In the long term, or even the short term, this would be something that would be highly advisable.

Hon. Mr. Snow: I will not give you any argument there. It is a high priority as far as I am concerned, but I have not been able to take a look at our overall safety program and the licensing and regulatory program and say we can cut \$5 million out of something else to do it. We would also have to lay off staff in some area because most of the money in that part of the ministry is strictly wages.

Mr. Van Horne: The minister mentioned there was no thought of changing the age specification from 16. You have had—I do not say this in a derogatory way, I say it in all sincerity—representation made to you on more than one occasion for considering changes at that beginning level. If it was not to change the

age, it was to at least extend or change the probationary period. I think you have given evidence of your thoughts in that regard.

Hon. Mr. Snow: In the seven years I have been around here, I have never had any major submission. I will not say I have not had the odd letter from an individual saying we should increase the drinking age, increase the driving age, increase this and increase that.

Mr. Van Horne: I understood you had.

Hon. Mr. Snow: I have not. I don't think we have had a submission from any recognized organization or body recommending a change in the age.

Practically every time I have a group of high school students come in from my riding, one of the first questions I am asked is when I am going to increase the driving age. It seems to be out there. People are talking about it.

Mr. Van Horne: Maybe that is what I am going on. Again, I do not mean this nastily, but have you done any polling on this or have you sampled public opinion in any way, other than the casual ways you indicated a moment ago, to—

Hon. Mr. Snow: No, we have not taken any poll or anything on that.

Mr. Van Horne: I guess the corollary to that, if that is the proper use of the word corollary, is has there been any concern from your senior staff who look at the accident statistics and the addiction research statistics regarding the increased incidence of drinking with younger people, etc.? Is there any concern coming out of that kind of investigation that would even have this as a topic on one of your staff agendas?

Hon. Mr. Snow: I am sorry, I am having trouble hearing.

Mr. Van Horne: I am asking if there is any evidence on the lower ages of drinking within our society from the Addiction Research Foundation statistics? From looking at the accident statistics, which some of your staff must do from time to time, is there any evidence of the more serious injuries and fatalities that occur as a result of young people driving motor vehicles?

There is a feeling out there. I do not have the wherewithal to properly research it, but some of the articles I read periodically tell me there is a growing concern. Does your staff have that same concern, and if so, what kind of study have you done on it?

Hon. Mr. Snow: We publish a very detailed breakdown of accident facts every year. I am

sure you get a copy of it. I know you get so much paper you cannot begin to look at it all. It is an excellent book. It gives you a lot of detail. It gives you the time of day of accidents and ages and many things.

Mr. Stokes: It is a complete breakdown.

Hon. Mr. Snow: We must carry on or we are not going to get to the Ontario Highway Transport Board at all. We will be working on that vote later on, if you want to go into it in more detail. I have had no real suggestions that we should increase the minimum age of drivers. I have no evidence and no feeling myself that it would be beneficial.

Mr. Cunningham: On statistics though—I am speaking from memory—seven per cent of the licensed drivers are aged 16 to 19, but they have 14.5 per cent of the accidents. That is a very telling statistic; it is a devastating statistic and it is something I think we have to—

Hon. Mr. Snow: That is one of the things we are trying to work towards with the probationary licence system. Immediately after a new driver—not necessarily the young driver—gets his first speeding ticket or a ticket for a wrong lefthand turn or something, he gets a letter.

Mr. Van Horne: A constituent of mine got a letter for riding his bicycle the wrong way on a one-way street. He even lost points on that. They were only recovered through pointing out the error made in interpreting the law.

I would like to go back to the question I raised and refer to an editorial in the London Free Press on November 30, 1982, which has the heading, "Age Part Of Problem." It refers to the statistics Mr. Samis and Mr. Cunningham have raised with regard to the very serious accidents and the age of the drivers. I will not go into detail, but I will provide a copy of it for you.

I would conclude any comment in this area by saying there is a very grave, growing concern out there in the community. Your staff may well be advised to investigate it.

Mr. Chairman: Thank you, Mr. Van Horne. We could pursue that in more detail later in the votes, but I think we should get on.

9:30 p.m.

Hon. Mr. Snow: I will try and make this run a little faster.

With regard to the comments on the lighting of our freeways, the policy of the ministry is to illuminate the entire interchange—I do not want to get anything wrong on the record

here—where the AADT, that is the annual average daily traffic, exceeds 30,000 vehicles.

We illuminate the entire road where urban freeways operate after dark at level D or less—those are very high traffic, urban freeways—and we illuminate critical decision points, such as the bullnoses and so on, where the AADT is fewer than 30,000 vehicles at an interchange. Those are the freeway criteria.

On the king's highways, we have partial illumination where traffic is channelized by physical islands; at traffic control signals; at intersections with high night-time accident rates over a three-year period with no obvious cause; and at intersections on four-lane, undivided highways where signal warrants are 80 per cent or greater and where the AADT is greater than 6,000 vehicles.

Those are the official criteria for deciding whether an intersection is illuminated or not.

There are numerous other criteria, such as intersection spacing and adjacent lighting, which relate to particular site conditions. We do not illuminate the major freeways once you are outside of the urban areas.

Highway 69: we are continually looking at the four-laning program. It seems to be a favourite highway that everyone wishes to discuss. It is hard to figure out where Highway 400 quits and 69 starts when you are going—

Mr. Stokes: You paved the shoulders, what more do they want?

Hon. Mr. Snow: We are continuing the four-laning of Highway 400 north of Barrie, which is really part of 69 or part of the same route if you are going to Sudbury. We are up to Coldwater now.

It is an ongoing program. We let a contract for an additional section each year basically and we have it planned, starting up Highway 69 beyond Waubesaushene, as far as Honey Harbour or Victoria Harbour, one or the other. Beyond that we have paved shoulders as far as Parry Sound, which are working out quite well.

We have an undivided four-lane highway for a considerable distance south of Sudbury, where the heavy traffic area is. The stretch between the present four-laning and Parry Sound is going to be resurfaced and some additional passing lanes will be added in the next two or three years. That is in our program now.

We do have a four-laning program for Highway 69, but with the availability of funds as it is and the high cost of construction through that area, it will take a long while. Not even I will be minister long enough to see that completed.

Mr. Chairman: It will not be done in the next two years?

Hon. Mr. Snow: No.

The member asked about the general condition of our bridges, the bridge checks and the bridge rehabilitation program. I am not sure whether he is referring to the program I announced a few years ago to have the municipalities check all of their bridges. That was done. We got the reports. We have been working with the municipalities on a priority basis in replacing and repairing municipal bridges.

We have an ongoing bridge deck rehabilitation program in the ministry, on our provincial highways. It's a big problem that is taking a lot of our money every year in stripping down these bridge decks. You see it going on around here, and not only in the Metro area. You see more of it here, but it's all over the province.

We're stripping off those bridge decks, repairing expansion joints, repairing the concrete underneath, bringing it back up to standard, then rewaterproofing the decks with our new specification for waterproofing and repaving the surface. You spend a lot of money and when it's all done you don't have a damn thing to show for it except a bit of black asphalt under the bridge deck.

Mr. Cunningham: No ribbon?

Hon. Mr. Snow: No ribbon to cut. It's a terrible situation.

Mr. Cunningham: There's no politics in that.

Hon. Mr. Snow: I don't know how much we spend on it—we could get it for you—but quite a few million dollars is spent every year on nothing but bridge-deck rehabilitation. We have to do it. If we don't do it, we're going to have a lot more expensive problems on our hands in the very near future.

I'm sorry, I'm not reading my notes. We have spent \$35 million in the past five years, it says here. I thought it would have been more than that. That's \$7 million a year, on average. I'm sure it's been higher than that in the last couple of years.

It's ongoing, and I'm sure it will always be ongoing to some degree, because concrete deteriorates. Some of our bridges are quite old, but some are not that old. Some of those we're having to do are 15 or 20 years old. We did the Queen Elizabeth Way bridge at Bronte Creek this year. That bridge is 40 years old, I suppose. Mitch Hepburn built that one.

Interjection.

Hon. Mr. Snow: We've added a little bit to both sides of it since then, but Mitch built the first section.

Mr. Cunningham: Had he been requested to cut the ribbon?

Hon. Mr. Snow: Anyway, it's an ongoing problem.

Public transit was the next item, the level of funding. I think we can get into that in a little more detail when we get into the transit vote. Certainly the ministry is putting a lot of funding, about \$300 million a year I guess it is now, into public transit, both capital and operating.

With respect to the plans for the GO Transit expansion, the long-range interregional system we announced a couple of months ago, Mr. Samis asked how many jobs this was going to produce. Basically, construction of any type, whether it's in transit or in highway construction, produces a lot of jobs.

It's very difficult to follow back to the beginning as to exactly how many jobs are being produced. It's not only the onsite jobs in the construction, but you go back to the steel companies, the cement plants, the stone quarries. In building a highway, the only thing you start off with is raw materials some place down the line. Whether it's oil in the well in Alberta or limestone in the quarry from which they make the cement or iron ore in the mine from which they make the steel, it all produces jobs.

All the economists argue whether it's 20, 30 or 40 man-years of work for every \$1-million worth of construction you do. Basically, it depends on how much you allow for a man-year of labour.

Mr. Stokes: The economic spinoff is far greater than this 15-to-18 week jazz they've got going now.

Hon. Mr. Snow: The figure I use generally is that every million dollars we spend on highway construction produces 40 man-years of work. That's the figure my staff used to give me. Now they say it doesn't produce that many because, I guess, of the higher rates of pay. You don't do as much construction for a million dollars as you did five years ago, so you're not going to produce as many jobs as you did five years ago either.

Mr. Stokes: You're probably using less manpower because of automation.

Mr. Gilbert: Material costs have increased.
9:40 p.m.

Hon. Mr. Snow: Other than the liquid asphalt, all the rest of the material is basically wages,

whether it's truck drivers delivering gravel or people blasting the rock out of the quarry or the guys in your riding, Mr. Chairman, making the dynamite to blow the damn rock out of the hole. It all goes back to labour.

We can discuss further some of the other items regarding transit, the Scarborough system and what not, when we get into GO Transit and the Urban Transportation Development Corp. I would like to discuss them now, but we have Mr. Alexander here and the members may want to ask him some questions about the Ontario Highway Transport Board.

Mr. Samis asked some questions about communications, about copies of submissions we have made, copies of our policy papers, copies of my speech to the cable TV association. All of these items either have been or will be supplied. I thought you had them all. I have been making submissions to ministerial meetings on cable policy, satellite policy and interconnect policy and so many things that we can swamp you with paper if you really want it.

Mr. Samis: Does anyone?

Hon. Mr. Snow: I assure you that nothing we have said suggests the abolition of the Canadian Radio-television and Telecommunications Commission, as my colleague from British Columbia wanted to recommend. The jurisdictional issue is still there. It is certainly still my opinion and the opinion of this government that cable TV, closed-circuit systems, pay TV or local service could much better be regulated at the provincial level.

We have never suggested that we want to regulate off-air broadcasting. That's a proper federal regulatory area and we have always said so.

I guess it's something that eventually some day may or may not be settled. We thought we had it almost settled a couple of times through negotiation at ministerial conferences. That doesn't seem to be going very far now. It was almost settled during the constitutional discussions. In fact, there was agreement in that September first ministers' conference on the Constitution on the communications package, but because everything else fell apart, it never went anywhere either. Then when the constitutional package came back, it came back without the communications package in it.

I suppose it's an ongoing thing. We'll live with it as it is. We think it could be much better if we had some changes.

Mr. Chairman, I have come pretty well to the end of the comments I had written down. We

will supply a package of those documents to each critic. I don't think you got them all relating to the communications and the rail. I will get those to you as soon as we can get it put together.

Mr. Cunningham: Mr. Chairman, was it your intention to carry vote 2701 tonight in advance of going—

Mr. Chairman: We could do that if the committee members wish to do that.

Mr. Cunningham: It's a committee decision.

Mr. Chairman: Is it the general consensus of committee that we're in a position to carry vote 2701?

Mr. Samis: I have a couple of brief questions.

Mr. Cunningham: I have just two or three brief ones then, if the other members didn't, we could carry it.

Mr. Samis: Maybe we could put a 15-minute time limit each on it, if you want. That would be half an hour.

Mr. Cunningham: If you don't mind, there are just a couple of things. If the minister could make notes, I just have about four minutes' worth of questions.

Does the ministry have an ad agency? If it does, who is it?

Hon. Mr. Snow: Yes, and it's Case.

Mr. Cunningham: Case? It's nice to see somebody other than Foster.

Hon. Mr. Snow: Case Associates Advertising Ltd. have been our ad agency for a number of years. It is reviewed every two or three years.

Mr. Cunningham: What is the budget there roughly? I looked through it, but I didn't look through carefully enough, I guess.

Hon. Mr. Snow: The total advertising budget is not big, I'll tell you that much.

Mr. Cunningham: In my view, it's not big enough on several of the safety items, particularly the child restraint program.

Hon. Mr. Snow: It all depends where you stop in advertising. We spend a lot of money advertising tenders and stuff, advertising for environmental hearings and for public meetings. In a way that's not advertising as far as I'm concerned, although it all goes through the agency.

Mr. Cunningham: I don't fault you for doing that, but I was in the business and some of the programs your government is involved in are an absolute waste of time. You would be far better off stealing a little bit from some of the other

ministries to promote safety, particularly this new child restraint program.

Your response tonight to Mr. Samis' question is much appreciated, but I don't think that \$300,000 or whatever it was is enough to make a meaningful impact on the province. That happened to be my point of view.

I asked earlier if there were any polls or surveys that were done in the last two years and whether you would be in a position to table the results for us of those. I would be grateful if you have that information for me tonight.

I have two more questions. One relates to senior management jobs for women. This is a subject I have raised in the past. I think there is a lot that could be done in every ministry to see that women are considered for—

Hon. Mr. Snow: All you have to do is look to your right and you'll see two of the most capable women in the Ontario government who are both executive directors within the ministry.

Mr. Cunningham: That's outstanding and I'm really pleased, but I also noticed there are 16 men.

Hon. Mr. Snow: Mrs. Bielski is chairman of the—

Mr. Samis: Eleven per cent or 10 per cent.

Mr. Cunningham: Yes, 11 per cent.

Hon. Mr. Snow: I think we're better than average.

Mr. Cunningham: That's probably inadequate.

Mr. Barlow: What's the percentage in the Liberal caucus?

Mr. Cunningham: We're doing the best we can. In the next election in your riding, the mayor is going to whip your butt.

Hon. Mr. Snow: I'm not going to try to take any credit for the improvement, but when I became minister there were no women at the executive level in the ministry and now we have two at the executive director level and one is chairman of the telephone services commission.

Mr. Cunningham: When is Hal Gilbert retiring?

Mr. Gilbert: We'll have capable women to take over.

Mr. Cunningham: I'm just kidding.

Hon. Mr. Snow: Are you suggesting my next deputy minister should be a woman?

Mr. Cunningham: I'm just kidding.

Interjections.

Mr. Cunningham: I think I have found a saving of \$7,200 for you because I notice you have in your estimates provision for a parlia-

mentary assistant and you don't seem to have one. I'm not recommending that you get one.

Hon. Mr. Snow: I have a small ministry.

Mr. Cunningham: I've always thought that program was next to useless.

Hon. Mr. Snow: I only have a small ministry, I don't need one.

Mr. Cunningham: I would agree that you don't need that person and I would suggest that you take that \$7,200 and spend it on advertising the child restraint device.

Hon. Mr. Snow: I assure you if it's not used for that, it will be put to good use.

Mr. Cunningham: Either that or you could take the members of the committee out to dinner.

Hon. Mr. Snow: I haven't had a parliamentary assistant since last February. We've saved some of that already.

Mr. Cunningham: Mr. Samis has some questions. I have no further questions.

Hon. Mr. Snow: I think I have replied to most of them except the one regarding the polls in the last two years. I have a list of 12 so-called polls here that we have had carried out. I'm not exactly sure, but some of these have been tabled and some of them have not.

Mr. Samis: How about for 1982?

Hon. Mr. Snow: This is right up until today, as far as I know.

Mr. Samis: Could you give us the titles of some of the recent ones?

Hon. Mr. Snow: There's one on seatbelt usage. I haven't seen the results of that one myself. Others are provincial highway priorities, speed limitation attitude survey, factors influencing highway traffic accidents, compliance in the trucking industry—I think that was carried out by the trucking committee, was it not? It was requested by the PCV Act review committee. I'm sure that one would be.

Others are telecommunications products and services, neighbourhood quality—that is probably relating to our noise barrier program, something along that line. There was an omnibus poll where we had some questions on communications items. There was another omnibus poll in 1981; another poll in 1981 on seatbelt usage and a driver-attitude survey; one poll in 1981 of Ontario drivers' knowledge of the attitudes towards the demerit points system;

another one in 1981 on the societal impact of microelectronics.

9:50 p.m.

Mr. Stokes: None on studded tires.

Hon. Mr. Snow: I have the list here.

Mr. Cunningham: Could you table the results?

Mr. Samis: Specially the one on seatbelts.

Hon. Mr. Snow: I am interested in that one myself. This is the list I was given of all of them. I do not call these polls in the terminology of the—

Mr. Samis: Not in the leadership sense.

Mr. Cunningham: Surveys.

Hon. Mr. Snow: These are basically attitudinal surveys regarding ministry safety programs and communications and things of that type.

Mr. Cunningham: I would be very interested myself in their cost.

Hon. Mr. Snow: There are different ones, some of them \$5,000, one \$55,000, one \$19,000, one \$14,000, one \$35,000.

Mr. Cunningham: Would you table those for us?

Mr. Gilbert: Just table this list?

Mr. Cunningham: I would be very grateful if you would.

Mr. Gilbert: Sure.

Hon. Mr. Snow: We can probably have that by Thursday. I would like you to mark on here those which have been tabled in the House already and those which have not.

We are not very big in the polling business, I guess you can see that.

Mr. Samis: Not being a leadership candidate, you can afford to be.

Hon. Mr. Snow: Oh, I don't know; I have not decided on that yet.

Mr. Samis: Too old, too old.

Hon. Mr. Snow: I guess so.

Mr. Samis: Very quickly, on administration, I have just a couple of brief questions.

Mr. Cunningham has raised the question of women on your staff, so I will just leave that one aside.

I would like to get a progress report on bilingualism in your ministry. Last year I raised the question of a bilingual co-ordinator.

Hon. Mr. Snow: We have a bilingual co-ordinator.

Mr. Samis: You now have one; can you tell me who that is?

Hon. Mr. Snow: I do not know.

Mr. Gilbert: Mr. Bourque; Ron Bourque.

Mr. Samis: Is he bilingual?

Mr. Gilbert: Yes, very much so.

Hon. Mr. Snow: I am bilingual too.

Mr. Samis: What is the second language?

Hon. Mr. Snow: Profanity. English and profanity are my two languages.

Mr. Samis: Bourque. Is he from Ontario or Quebec?

Mr. Gilbert: Actually, he is Acadian French.

Mr. Samis: I am glad to see that you have finally acquired a co-ordinator.

Mr. Gilbert: He is doing an excellent job.

Hon. Mr. Snow: I do not think it was necessary, myself, because I think we had our programs in place before we had the bilingual co-ordinator. In any case, we have one.

Mr. Samis: Other ministries were doing it, so I am glad to see yours is.

Second, if we could just get a little more detail on your advertising budget, as to where the money is going and for what programs, I would appreciate some information on that. I do not need it now if we could get it on Thursday or Monday.

Hon. Mr. Snow: Just briefly, I can give you a list for \$342,000 of additional advertising beyond the \$314,000 for the child restraint program.

That is broken down into \$150,000 for safety advertising of one type or another: we advertised that "The kids are getting out of school, watch for their bicycles," and, "The kids are going back to school, watch for the yellow school buses," all this type of thing. There was a certain amount for "Wear your seatbelt."

Mr. Samis: Could you table that with us?

Hon. Mr. Snow: Yes. Licence renewals advertising, \$40,000 a year on that; \$65,000 on drinking and driving ads; \$16,000 on Ontario Motor League publications; \$71,160 on special issues in the print media promoting highway construction into resource areas, park facility programs, traffic safety, transit, etc.

Mr. Stokes: All eminently supportable.

Hon. Mr. Snow: Our total is \$711,600, as is outlined in your book there.

Mr. Cunningham: Grossman spends that much to tell you to have a happy hospital day.

Mr. Samis: That is the difference between a candidate and a noncandidate.

Hon. Mr. Snow: Okay, what's next?

Mr. Samis: Those are the only two questions I wanted to raise under vote 2701, Mr. Chairman.

Mr. Chairman: If the committee members are ready, shall we proceed with the votes on 2701? Vote 2701 agreed to.

On vote 2703, safety and regulation program:

Mr. Chairman: We are pleased to have with us this evening the chairman of the Ontario Highway Transport Board, Mr. Bruce Alexander. Would you like to come forward, please?

We are pleased to have you with us this evening and we apologize for the delay in bringing you forward to give committee members an opportunity to ask you questions. We hope that, if nothing else, this evening has been somewhat entertaining as well as informative.

Do any members of the committee have questions for Mr. Alexander?

Mr. Cunningham: I have a few questions. I see your staff has gone from 32 to 45, that is not all that large an increase but it would appear there are some significant increases in the budget itself. For my part, I would like to get an idea of why that is occurring.

I am also mindful of the announcement the minister made today and the announcement that was made earlier in the press about the proposals of our friends south of the border to discontinue what appear to be some pervasive tactics of the Interstate Commerce Commission as it related to Canadian applications.

I do not know whether the chairman has been apprised of the comments I made during the course of my introductory remarks, but I suggested that in fact may be occurring; I am glad to see that it has. I said at the same time I thought we were going to get a second chance; I really regard this to be a second chance for us.

I would like to know what your disposition is in being able to respond more quickly to expeditious hearings, less complicated hearings, less cumbersome hearings, maybe a new disposition with regard to the taking of evidence. It seems to me a little unfair that, whenever evidence is heard, you can't take a deposition from someone, especially in the north or in some faraway jurisdiction in Ontario, so you wouldn't have to bring a witness all the way down.

These are things that concern me. I feel that if we are not in a position to streamline things at

the board and modernize things, indeed we are going to have some difficulties in retaliation by Americans. I realize a lot of the problems we had with them and with the moratorium had a lot to do with the Foreign Investment Review Agency, a lot to do with perceptions associated with the national energy program, and a collection of other things. At the same time, much of it is within our own jurisdiction and there are things that we could be clearing up.

Mr. Alexander: I am not clear if you are relating the questions of the form of the board and the efficiency of the board to the American question or not. Are they not two separate issues?

Mr. Cunningham: They are, except that I do not believe we can have the luxury of waiting until the Public Commercial Vehicle Act review committee makes its report, the ministry digests it, the Legislature is asked to respond to it, with the busy legislative timetable which appears to exist right now, and it deals with it. Unless we were in an emergency situation it is unlikely we would get this kind of legislation through, no matter how much we are all willing to co-operate on it and be mature about it.

One of the things we can do without the benefit of legislation, would be—I am not telling you what to do in the operation of your board, it would be rude to do that—to really start to move things there a bit. For my part I think that, whether it is a class R application, as we discussed on the phone last week, or some of the other hearings that are going on, things seem to be somewhat cumbersome there, drawn out, overcomplicated, overregulated, with too much red tape.

10 p.m.

Mr. Alexander: Let me try to respond to that, because it certainly has been the thrust of everyone who has taken a look at the board, from the time of the select committee on which you sat to the time we formed our own internal committee, and it is certainly very much at the back of the minds of everyone who sits on the PCV Act review committee, that the board must be simple in its procedures, it must be efficient, it must be accessible, it must be responsive, and that everything we do should have those as the overriding criteria, consistent with fairness and fair play.

The criterion of natural justice is imposed upon us by the Statutory Powers Procedure Act. You know that because you went through it in

great detail in your own investigations and I am fully aware of it because I am a lawyer. Everything we have been doing has had to meet those twin considerations of being efficient, and that means being cost efficient, and having a procedure in place that could not be criticized as being unfair, either to the applicants or to those who wish to respond.

In the four years I have been on the job I think we have made significant progress in making that process more efficient, in achieving exactly what you are suggesting.

I believe our turnaround times are next to the best. I do not know of another jurisdiction where moving from application to decision is as good. Before the ICC reformed itself it took two years; sometimes it took longer than that. In Quebec they have a very cumbersome and, in my view, antiquated system; it takes much longer than it does with us. In Alberta, where they have an internally deregulated system, their time frames are similar to ours.

The problem is that you have to give people an opportunity to be heard, and that means giving them notice and time to prepare. It also means, under the Statutory Powers Procedure Act, that they have the right to have counsel. When you have the right to have counsel, to summon and to cross-examine witnesses, you are into a process that is going to slow it down. I don't know how you can get around that.

What we have done, and I think it has been of significant benefit to both applicants and respondents, is to move towards the use of in-chambers hearings. Almost all the decisions we make now on applications that are unopposed, are made in chambers. What slows that process down is the applicant himself, in providing us with the evidence in support of the application. I don't know how we can improve on that and still maintain a system that functions with integrity.

Mr. Cunningham: How would you contrast your turnaround time, in your use of the phrase, with that of the ICC since the 1980 amendments to the Motor Carrier Act?

Mr. Alexander: They have moved to an entirely different system, one which, as you know, the PCV Act review committee is toying with, based more upon fitness than on the promotion of public support. They have been able to reduce their turnaround times considerably, and that has been mandated in their legislation. In fact they now have a piece of legislation that says they have to make a deci-

sion within six months, and they are able to achieve that.

Hon. Mr. Snow: What is your turnaround time now?

Mr. Alexander: On an unopposed application it is between three and five months. On an opposed application it is between five and seven months, something within that period.

For a simple application, an unopposed application, from the time we receive it until the time we publish it is probably six weeks, because it has to be in the proper form, put in the Ontario Gazette. It gets published two weeks after we put it in. Then we have to wait 29 days for the opposition.

So you are already looking at six weeks to two months, even on an unopposed application, and that is assuming that the paperwork that gets to us is in the proper form. Unfortunately it is not always that way. In far too many cases it requires correction on our part.

Then, when there is no opposition, we require the applicant to file affidavits, evidence of support. It is often the delay in the applicant filing that evidence that results in delays in our issuing a decision.

When there is an opposed hearing, you have to have an actual hearing. If you are going out of town, you have to find a place in the schedule. You have to schedule it; you have to give proper notice to the counsel, and usually counsel are involved in matters of that kind. Counsel often ask for adjournments because their own personal schedules are in conflict.

If it is a longer hearing, going beyond a day—and I think we have substantially reduced the number of hearings that go beyond a week. Very few hearings go beyond a week now. Those are the exception.

Ninety per cent of the hearings we have are completed in one day or less. They are usually over in the morning. Even the most significant application today will probably not go beyond a week. The number of witnesses to be called would be in the area of 20 to 30. The type of hearing that involves 100 to 150 witnesses is just not around.

Mr. Cunningham: That is nice to know.

Mr. Alexander: I think part of that is that people realize there is no point in bringing repetitive evidence to this board. That happened in the past. They would just bring what we call "me too" witnesses—people who repeated the same thing, but did not add to the quality of the evidence.

Mr. Cunningham: That was the case, but we will not get into that this evening.

How many leasing operators have you regularized by way of grandfather clauses?

Mr. Alexander: That was the select committee recommendation with respect to operators in that period. We have licensed 38. There are 123 applications.

Mr. Cunningham: Thirty-eight?

Mr. Alexander: There are 38 today and there are about 19 outstanding. The others were either dismissed or withdrawn. A large number were withdrawn.

Mr. Cunningham: Did they think they didn't need the authority?

Mr. Alexander: Time had gone by to the extent that they did not need it, or they filed and got a permanent certificate or they abandoned their original undertaking.

Mr. Cunningham: Did some of those people make an ordinary application rather than apply under the grandfather provision?

Mr. Alexander: Yes, that did occur in some cases. They were able to substantiate the need through the regular process and therefore abandoned their probationary application. We now have confirmed about nine.

You will recall the probationary licence was to be given for one year, then there was to be a determination as to whether they would obtain a permanent licence. We had the first of those two weeks ago, and they have all been confirmed.

Mr. Cunningham: Do you have any general comment with regard to the operations of these individuals?

Mr. Alexander: My general comment would be twofold.

First, it did not attract the extensive applications that I thought it would. They tended to be small operators carrying for specific shippers. They were not substantial in their numbers, or in what they carried.

At the time of the select committee report we had heard that 10 to 15 or maybe 20 per cent of the carriage was being done by these people. Less than one per cent, or one tenth of one per cent, applied. So either we did not catch them, or they were not there. Either the possibility of coming forward to get a probationary licence was not attractive to them, or they just were not there.

Mr. Cunningham: What is the current status of the Quinn matter? I am not up to date on that.

I recall some comment in the *Globe and Mail* about a year ago.

Mr. Alexander: It went to the Supreme Court of Canada. That court ruled, last year, that the temporary licence was still in existence, so Quinn is operating today. A decision has to be made as to the final disposition of that temporary licence. In effect the minister has to have a new hearing or has to direct that a new hearing take place in that respect.

Mr. Cunningham: Notwithstanding what the judge of the Supreme Court said?

Mr. Alexander: This is the Supreme Court of Canada?

Mr. Cunningham: Yes, that is right. They felt he did have that licence?

Mr. Alexander: Yes, they felt he did have the temporary licence, and he is now operating under it. The Supreme Court of Canada held that Mr. Quinn should have had a hearing with respect to his financial condition at the time the matter came before the minister. That has to take place.

As a result of the decision of the Supreme Court of Canada, we have been put into a very complicated legal position.

Mr. Cunningham: I have no further questions.

Mr. Chairman: Does any other committee member have any questions of Mr. Alexander?

Mr. Stokes: I would like to echo some of the sentiments expressed by Mr. Cunningham about the seemingly undue length of time it takes to get a decision from the board.

10:10 p.m.

In our area we have carriers like Lakehead Freightways Ltd., Kingsway Transports Ltd. and Arnone Transport Ltd. which have to operate their business in conjunction with Canadian Pacific or Canadian National. They rely on somebody else to bring it in and then take it out to the outlying areas.

I talked to Harvey Smith, of Manitoulin Transport, in the airport just recently. He has lost hope of having anything of any consequence changed to cut down on the length of time it takes to get a decision on an application for either a new form of licence or an amendment to an existing licence. He just shakes his head.

I tried to listen very carefully to your response to Mr. Cunningham's question. Why would it take four or five months to reach a decision on an uncontested application?

Mr. Alexander: Mr. Stokes, it does not take four or five months to reach a decision. It takes that long to get the information in front of us to allow us to make a decision.

Mr. Stokes: Well, Mr. Smith was talking about the high cost of the whole process and how much it costs in legal fees. Are you saying they are still coming in with these ill-prepared applications, notwithstanding the high-priced help they hire?

Mr. Alexander: No, I'm only talking about the lead time.

Because of the publication requirement, it takes at least two months from the time we get an application to the time we are in a position to make a decision on it. The application must be in a recognizable form so we can publish it in the Ontario Gazette, which in itself is a six-week process. People then have 29 days to send in an objection to it. If there is no objection, the applicant must supply us with evidence of the support he has for the licence, in the form of affidavits. Once that is received, the licence is issued.

Where there is no opposition it is a matter of a week or two after the 29-day period is over, as long as the affidavit evidence is there. If it is not there, we have to wait for it. Once we have it, the licence goes out after a week or two.

Where you have a contested application—

Hon. Mr. Snow: Not the licence, the certificate.

Mr. Alexander: The certificate; the minister issues the licence and he is pretty quick once we get a certificate.

When you have a contested application—and this might have been what Mr. Smith was talking about—first we have to schedule it. We try to go to the Lakehead to hear them—Dryden, Kenora, we go to all those places.

Mr. Stokes: I know he spends a lot of time running down here.

Mr. Alexander: To Toronto? If he is the applicant and he requests it, we will schedule it up there. That means some delay because we do not go up there every week; we go up there four or five times a year.

Often the delay comes because the applicant or his lawyer does not have the information available and wants an adjournment. Once we end up adjourning something we have already scheduled for Thunder Bay it is another two or three months before we get another set of hearings up there. That may be what he's talking about.

The costs: we all agree that when you are

involved in retaining counsel and are paying counsel's fees for days before a tribunal like ours, it is expensive. That is why we are determined to reduce, and have reduced, the amount of time to do that.

It is usually only a matter of weeks from the time the hearing is over—in other words from the time we can close the file and make a decision. But there is a delay of months to get us to that point and there is no way we can sidetrack that under the present statute.

Mr. Stokes: Are there any recommendations you would make to amend the statute to shorten the process?

Mr. Alexander: Sure there are. We could be taken out of the Statutory Powers Procedure Act, which requires us to have a hearing when there is opposition and to have witnesses attend who are subject to cross-examination. In certain circumstances, we could move to what we call a paper record. In other words, all the information and evidence is put in affidavit form and one person makes a decision based on that. That eliminates requiring people to come to Toronto or Thunday Bay or Ottawa and being subject to that process.

If we go with the recommendations in the select committee report, we are going to be looking at fitness and not public evidence.

Hon. Mr. Snow: The initial preliminary recommendations of the Public Commercial Vehicles Act review committee is that we go to a system of fitness tests. The applicants have to prove their knowledge of the industry and their financial ability to offer a service and to carry out a service.

I like to put it in the simplistic terms that it would be much easier to get into the business but much harder to stay in. If they are fit and able and capable of supplying the service, they should have the opportunity to do it, but if they do not live up to their business responsibilities of supplying that service, they can be out of business quicker than they are now.

That is part of the initial interim report of the committee and we will await the final report. I am not saying what I am going to put before the Legislature or what the Legislature is going to approve, but the initial implementations or initial recommendations of the committee are for a much more simplified system of regulation. Not deregulation, but a revised form of regulations.

The committee is made up of small and large trucking representatives from the Ontario Truck-

ing Association, shippers and manufacturers' associations. There are 25 or 30 members of that committee who have worked together for the last year and a half and who have another few months' work to do to before they come to me with the final recommendations of a complete new act for the regulation of trucking.

Mr. Cunningham: I would just like to ask the chairman what percentage of the objections he would characterize as fallacious or routine?

Mr. Alexander: I think there is a subcategory there; frivolous. Fallacious means, at least as I would see it, they are misleading. In other words, they have objected and they really do not have an objection.

Mr. Cunningham: That was exactly why—

Mr. Alexander: I am sorry. That is what you meant. There are about 10 per cent at the most. It is not a great number.

Mr. Cunningham: It would be a great number if I was an applicant and I was held up for seven months because—

Mr. Alexander: But this process is a useful one. Often you get applicants who apply for more than they need. The respondent is put in opposition, so has the opportunity to find out more about the application. Once they find about it, they withdraw their opposition and they come to some agreement.

In other words, the applicant is asking for more than he really needs and is impinging on the respondent's territory. They then agree to an amendment. It is a useful process because it often means we do not have to have a hearing. It means you do not have lawyers involved and you do not have to bring people to Toronto. It works out. There are very few in that category.

Mr. Cunningham: How often do you have occasions where parties give notice that they intend to object and then they do not appear? How often does that happen?

Mr. Alexander: I would say one or two per cent of the time; maybe 10 times a year. We would probably penalize that party in costs for not appearing.

Mr. Cunningham: You would? Good for you.

Just one further question, with your permission. How far along are you now in computerizing the record of licences? Is that an ongoing process?

Mr. Alexander: The ministry is the custodian of the licences, and that process is just beginning. At some point, we hope we will be able to source those records through a terminal in our

office. In other words, we will not have to use the hard copy of the licence. We can just get a printout from a computer on a daily basis so it will always be up to date.

Conviction records are on that basis now and it is very helpful.

10:20 p.m.

Mr. Stokes: I have two questions. The first one is a very minor one.

Is it still possible for an applicant to go before your board with an application without benefit of a lawyer?

Mr. Alexander: Yes, it is.

Mr. Stokes: I had an experience where there was an applicant—

Hon. Mr. Snow: Thank God, because we all do not have our QCs.

Mr. Stokes: It worked out very well.

Mr. Alexander: Some people who have represented themselves have done a very good job before us.

Mr. Stokes: I did it before your predecessor and we did just fine.

I want to ask you about the rate setting. After one gets the licence from the ministry, to what extent is the rate setting a part of the application, or what process does the carrier have to go through in order to set the rate and then increase it as time goes on? Is there any appeal to you people for the rates?

Mr. Alexander: We do not regulate the rates. All the carrier is required to do is file the rates with us so they are on public view. He can change those rates at will, although they are required to give us 30 days' notice of change.

As opposed to the Interstate Commerce Commission in the United States, and Quebec and a number of other jurisdictions, we do not regulate the rates. That is entirely up to the carrier.

Mr. Stokes: Do you ever review them?

Mr. Alexander: When we have a hearing, rates are important in terms of the case an applicant might make to us. It is important for us to know the rate they are charging. If it is a lower rate, if they are a more efficient operation and it is a compensatory rate, that is significant to us in making a decision on an application.

Mr. Stokes: But what about where they have a host of captive consignees, that is, where there is no other alternative because you have issued a public commercial vehicle licence for someone to exclusively operate along a particular

route? You can readily appreciate there are opportunities. Let me give you a specific example.

I got a complaint from a tourist operator who was domiciled in Nakina and conducted his business from a water base out of Armstrong. The only shipper there happened to be CN Express. A little motor part, about yea big—I am just doing it for purposes of illustration—was being shipped for \$15 and cents. It could have been sent from Toronto to Armstrong for less than half of that, but because it was from Nakina to Armstrong, the carrier thought the express rate allowed them to do that.

I contested it to the Express Association of Canada in Montreal. When they saw it they were horrified and they said Canadian National is just misinterpreting these tariffs. We had it reduced by over 100 per cent.

Let me give you an example of an Italian chap who lives in Longlac. Somebody makes excellent cheese down in southwestern Ontario and he wanted a shipment of this cheese that came from someplace just outside of London. It went from there to Toronto, all the way to Thunder Bay and then to Longlac. On the invoice, the manifest of the shipment, it indicated the cost between the initial point in southern Ontario, all the way up to Thunder Bay, was about \$17. One would think that was reasonable. But from Thunder Bay to Longlac, it was another \$17. That is why I ask you.

You would think there would be some kind of co-ordination. If one carrier can bring a block of cheese from southwestern Ontario all the way through Toronto and up to Thunder Bay for \$17, it is reasonable to expect that the carrier who had the right under a PCV licence to handle that traffic from Thunder Bay to Longlac, which is about 200 miles, as opposed to possibly 700 or 800 miles from southwestern Ontario, to Toronto and up to Thunder Bay—

Hon. Mr. Snow: It is more than that.

Mr. Stokes: Yes, it is.

Hon. Mr. Snow: It is about 1,300 miles.

Mr. Stokes: Yes, it is. It's about 900 miles from here to Thunder Bay by road. You are right. It is well in excess of that.

We complained and they said: "No, that's it. Take it or leave it." If they are forced to file these with you, why wouldn't somebody say: "Come on now, don't you ever analyse what it costs to ship a particular commodity from point A to point B? We're getting you know what." Those things are happening every day of the week.

Hon. Mr. Snow: You can say it plainer than that.

Mr. Stokes: Yes, I can if I wanted to use my railroad vernacular, but I am not going to here. That is why I asked you the question. What protection is there for the consignee under such a scenario?

Hon. Mr. Snow: The policy of the government is that we do not control rates. We do not have rate clearing; we do have a requirement for them to file those rates.

Mr. Stokes: That should not condone robbery without a gun either.

Hon. Mr. Snow: I would like to see that rate controlled by authorizing more than one carrier on one route. There should be competition.

The greatest argument any carrier that applies to the board for a licence on that particular route has is that there's only one guy authorized to carry and there should be more of them so at least there is competition for that business.

Mr. Stokes: It depends on volume, too.

Hon. Mr. Snow: It may be that no one applies for a licence.

I had a situation which just about made me see red the other day in my own family business. We shipped a number of parts to a customer in Connecticut and the quality control inspector rejected one part as defective for some reason. They returned that part to us. The part was worth \$24. It cost \$64 for some trucking company to bring it back to us for rework.

The bill of lading for the part said one pound, but it cost \$64 to send a part from Stratford, Connecticut, to Mississauga.

I can't blame the shipper. That was their rate. It was a trucking company. The parcel should have been sent—if you will pardon the expression—United Parcel Service or—

Interjection: Purolator.

Hon. Mr. Snow: —Purolator or—

Interjection: Loomis.

Hon. Mr. Snow: —Loomis or any of a dozen and one other couriers. The post office, for Christ's sake, could have brought it back for two or three dollars.

Our customer's shipping department just whipped it in to some trucking company. Here's some great big trucking company with great big tractor trailers worrying about a little parcel that weighs one pound that should have come by post office.

It wasn't the trucking company's fault. Dealing with that little parcel is not their business. It

was shipped the wrong way. The only person I can be mad at is the shipper at the other end.

Mr. Cunningham: It wasn't government, was it?

Hon. Mr. Snow: No, it wasn't government, unfortunately.

Mr. Chairman: Mr. Hodgson, do you have a question?

Mr. Hodgson: Just a quick question. There are truckers who have their trucks for rent for granular material mostly. They operate under a permit rather than licences and they draw material from, say, a gravel pit. Then they move on to the next gravel pit. That job is done so they go on to the next one. It could be not too far from their home, but they are into a different district so they have to apply for another permit.

It is quite an inconvenience to some of these people because they have to come here to Toronto. There is only one time of the year they really use them. They want to keep that truck running and it is quite expensive.

Has that been changed? I have not had any complaint, in the last six or seven months.

Mr. Alexander: I think you will find that most of the class R operators, the dump truck operators, who live in the Barrie-Orillia area—which overlaps three different divisions of the five regions in the province—have most of those three at present. In other words, through the process of application over a period of time, they have put themselves in the position where they can operate in all the adjacent regions.

Hon. Mr. Snow: There are five regions in the province, Mr. Hodgson. In my particular area, metropolitan Hornby, we are almost on the border of regions 2 and 3. Any class R licensed person has to have at least two regions to operate.

Mr. Hodgson: Can they get those three or four permits to operate if they come here at the beginning of the season when they start work? Can they pick them all up at once?

Hon. Mr. Snow: I think you will find that most of the people in my area have regions 2 and 3 on their licence. Perhaps up in your area they might need 2 and 3 and then there is another boundary that runs across there—

Mr. Hodgson: Two companies that hired these trucks were complaining to you. I was just wondering whether it had been straightened

out, because I haven't heard any more in the past seven or eight months.

Mr. Alexander: I think it has been.

Mr. Gilbert: I haven't heard.

Hon. Mr. Snow: Basically, the class R problem—as far as I'm concerned as the minister, and the complaints I get from the truckers and the shippers and the roadbuilding contractors—has almost disappeared.

Mr. Hodgson: You must have done something to educate these people to get—

Hon. Mr. Snow: No, we have a basic overall hearing once a year, in March of each year—

Mr. Alexander: February or March.

Hon. Mr. Snow: In February or March of each year we hold a hearing in each of the five regions of the province to review the class R situation and hear overall evidence. My ministry says how many highways we are going to build in that region and the contractors and the pit operators say they are going to need so many trucks in that region.

We look at the number of trucks that are licensed, and if the board decides there is a shortage of trucks in a certain region, we hold some hearings and license some new trucks in that region. If there is no evidence to show there is any shortage of trucks, they will not. That has been going on now for three or four years.

Mr. Cunningham: It is working out well.

Hon. Mr. Snow: It is working very well. I am not getting any complaints from the aggregate people or the contractors saying they haven't got enough trucks.

Mr. Hodgson: There is something good you're doing.

Mr. Chairman: Before we adjourn, gentlemen, we have been on vote 2703. Are there any more questions on vote 2703?

Mr. Samis: Yes.

Mr. Chairman: Okay, fine. We will adjourn until Thursday morning.

Hon. Mr. Snow: Do you need Mr. Alexander any more?

Mr. Chairman: I don't believe we require Mr. Alexander any longer. Thank you very much, Mr. Alexander.

Hon. Mr. Snow: Thank you, Bruce. Do I understand then that we are going to deal with provincial roads on Thursday?

Mr. Chairman: That is correct. If it's the consensus of the committee, we could finish up with vote 2703 initially.

Hon. Mr. Snow: So it's vote 2703 and provincial roads on Thursday, so I know what staff to have here?

Mr. Chairman: That is correct.

The committee adjourned at 10:34 p.m.

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No. T-3

Legislature of Ontario Debates

Official Report (Hansard)

Standing Committee on Regulations and Other Statutory Instruments

Estimates, Ministry of Transportation and Communications



Second Session, Thirty-Second Parliament
Thursday, December 9, 1982

Speaker: Honourable John M. Turner
Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Thursday, December 9, 1982

The committee met at 10:05 a.m. in committee room 1.

ESTIMATES, MINISTRY OF TRANSPORTATION AND COMMUNICATIONS

(continued)

Mr. Chairman: We have a quorum. We agreed we would deal with the provincial highways program this morning on vote 2704. If we have time at the end of the morning, we would like to wrap up vote 2703 as well.

Hon. Mr. Snow: Mr. Chairman, may I just say there is no problem on vote 2703 today, but if we don't get it finished today, I would like to know if we could discuss it again next Thursday instead of Monday.

On Monday, it is rather important that Mark Larratt-Smith, who we may need for consideration of this vote, be at a meeting of the American Association of Motor Vehicle Administrators in the United States. So on Monday we will be having the Toronto Area Transit Operating Authority in the afternoon and the Urban Transportation Development Corp. at night.

Mr. Chairman: Do committee members agree with that?

Mr. Cunningham: Mr. Chairman, most of us do not have that many more questions on vote 2703. We might well have that done within the next half hour or so, and then proceed on with the highways vote.

Mr. Chairman: That is fine. That is what I was suggesting anyway, if there is agreement on that. Do you agree with that, Mr. Samis?

Mr. Samis: I would prefer the opposite, but I guess I will be flexible to accommodate you.

Mr. Chairman: Very well. We will wrap up vote 2703 first, and then get into discussion of the provincial highway program.

Mr. Kerrio: I want to discuss that particular area of the highways. Is that in this book?

Mr. Chairman: It is in vote 2704.

On vote 2703, safety and regulation program:

Mr. Chairman: Mr. Cunningham, do you have any further questions on this vote?

Mr. Cunningham: I just have a couple of things and several comments.

I remain very concerned about the whole matter of driver training. I think we are very quickly passing by the old adage that a driver's licence is a privilege. It has now almost reached the stage where it is practically a right, by way of testing.

In some communities, as a result of the pressures on the system and on the instructors—and I am not faulting them necessarily; I am not faulting anyone really—the tests may well be accomplished within a period of 10 or 12 minutes.

I remain to be corrected, but I gather that at the new facility in Brampton, you may not even have to leave the premises. It is nice in theory, and I would be the last guy to criticize the ministry for innovation and new ideas, but I really do not think we are doing the new driver a favour by protecting either him or the instructor from the reality of life.

The reality of life is other cars, different situations and the spontaneity that is associated with driving every day. I am not suggesting that the driving instructors be required to take new drivers out on Highway 400 or on 401 at rush hour or at any other time to test their adequacy or capabilities there. However, it seems to me we are being just a little casual in that regard.

That applies to the testing of motorcycle operators as well. I am very concerned about that. I watch those statistics.

I am by no means capable of massive statistical analysis, but the ministry's statistics with regard to the number of accidents and injuries and the mortality rate are really impressive. I want to go on record right now saying that I am generally impressed, particularly with regard to fatalities, that the record in this province seems, on a gradual basis, to be improving.

I think there is a lot more that can be done outside the scope of this ministry. I would not bore you with my views on the advertising industry; the whole idea of lifestyle advertising seems to promote a lot of unsavoury habits, in my view. Those are beyond the scope of the ministry, I think. However, there are some

things we can do with regard to the licensing process. Frankly, I regard that as an investment.

Associated with that, I would make the comment that we should be looking at tougher standards for the whole concept of driver instruction. We have gone through that many times.

I took the time to go through the report of the old select committee chaired by Mr. Young in 1977. I remain convinced, at least by way of statistics, that unfortunately there seems to be no actuarial soundness to the implementation of premium reductions for graduates of these courses. That is a sad fact. It may be a commentary that there is something we can do to make those programs more relevant.

10:10 a.m.

My general concern is that possibly people are getting licences a little too easily. I say that mindful of the probationary licence and I am confident that process in itself will help. However, there seems to be a very cursory sort of examination in some communities, and I find that regrettable. I don't think it is in the public interest.

Hon. Mr. Snow: I would like to comment on that. I hear both sides of the story. I get a number of complaints from people saying that the inspectors giving the driving tests are too tough and unreasonable and refuse to pass people. I don't have the percentage right at my fingertips—Mark, do you know the percentage of failures?

Mr. Larratt-Smith: About thirty per cent.

Hon. Mr. Snow: Thirty per cent of people who take their driving tests don't pass their first test. That in itself is an indication that we are not just running them through the system. If they don't drive properly, they fail.

I had a personal experience on that a year ago when my youngest daughter failed her driving test. She was very upset because she thought she could drive pretty well, but she failed her test.

Mr. Cunningham: Did she go to her local member?

Hon. Mr. Snow: No, she did not go to Julian Reed.

Mr. Kerrio: I went to see the inspector the same day they tested my son. I wanted to keep him off the road.

Hon. Mr. Snow: In any case, I went out with her the next weekend and drove with her and she was quite capable of driving. She drove very well, but I had a few pointers for her anyway. A couple of weeks later, whenever her turn came

up again, she went back, was retested, and passed.

I would like to mention the new John Rhodes Driver Examination Centre. Your comments are right. The tests are carried out there without going off the property. I don't know whether you have had an opportunity to see that centre or not. I would recommend it to anyone who wants to go out.

It is the first of that type in Canada. There are some in the United States. It was designed specifically to provide all the different conditions necessary for testing: parking, stop lights, traffic signals, two-way streets and one-way streets. They are all within the complex.

When money is available, our plans are to build one of those centres in east Metro as well; out in the Scarborough area. These two centres would do all the testing for the greater Metro area. It went into service on July 1, and to my knowledge—maybe Mr. Larratt-Smith would like to make more comments on it—it is working out very well.

We get better utilization of our staff and there is a better opportunity of getting tested quickly if someone needs a licence for employment, or an upgrading of a licence, or whatever. With the larger number of inspectors, and the fact that some no-shows or cancellations occur, they can fit someone in there better than they can at the small stations.

Mr. Gilbert: Going along with what the minister is saying, it will be easier to get a test there, and more people will be passing. I would think, Mark, you could very easily check the statistics there after a year's operation as compared to what is happening in the other centres.

Mr. Larratt-Smith: Our experience so far is that it has been a great deal more efficient and, as the minister says, it provides a much better public service. Our previous centres were fairly scattered, and there were problems with booking time, waiting time, running in rush hour and running in residential districts. All of those problems are now avoided.

It would be fair to say that our examiners' judgement can actually be exercised better under those controlled conditions than under conditions where they are also trying to cope with a bunch of other factors such as rush-hour traffic and so forth.

After a while, the examiner gets a pretty fair idea of the basic proficiency of the person he is examining. I think that is enhanced by the off-road centre. That has been the experience in the States in jurisdictions where this was tried,

and from where we copied the idea. It has been our impression so far as well.

Mr. Philip: I have two items that I wanted to bring up and both of them fall under this vote and under the next vote. I would like to bring it up under this vote, since we are at the end of it.

The minister will recall that on November 22 I wrote him a letter concerning accidents that are taking place on Highway 27 between Rexdale Boulevard and Highway 7. I would not expect a reply this quickly, because of the turnaround time and because he would have had to do some research on it, but essentially I was saying that I am getting complaints from a new housing development on the west side of Highway 27 around Humber College.

The complaints are twofold. One is that people claim they are constantly awakened in the middle of the night by trucks that cannot stop in time for the lights. They just put on the horn and go through the amber and red lights. It is a disturbance in terms of peace and quiet, but the residents also claim there have been a number of near misses. When people are in the northbound lane on Highway 27 and are trying to make a left-hand turn on to either Finch Avenue West or Humber College Boulevard, they naturally assume they can make that turn when they see the amber light. The trucks that are speeding along there—and when I say speeding, I don't mean they are necessarily going over the speed limit—simply honk their horns and go through.

The problem is the traffic lights are so close together, with so many large intersections. The trucks going at the speed limit have trouble stopping in time, particularly late at night. I had your people do some research for me. They were very co-operative, and gave me the figures which I supplied to you.

I have received some additional interesting figures since then. At Highway 27 and Humber College Boulevard, in a period of one year—and they simply took dates up to the time I was writing the letter, which was some time in November—there were 30 accidents. Finch Avenue had 26 and Rexdale Boulevard had 25.

Later, in response to a question which I asked of them, they were kind enough to see how many of those accidents involved trucks. At Rexdale Boulevard and Highway 27, of the 25 accidents that occurred, 11 involved trucks. At Finch Avenue and Highway 27, of the 26 accidents there, 10 involved trucks. At Humber College Boulevard and Highway 27, of 30 accidents, nine involved trucks; and at Highways 7

and 50, of 22 accidents, 12 involved trucks. That seems to suggest there may be a problem with these very large trucks travelling on the highway at the posted speed limit, and the close proximity of the different lights.

10:20 a.m.

I recognize that when Highway 427 goes through there will be a lot less truck traffic on Highway 27, but in the meantime we do have a problem. There is a very large housing development there.

There are also school buses that go in and out of that project, because there are no schools in the project itself. That was one of the reasons a number of us objected to that project in the first place. We said you shouldn't be busing kids in and out of the neighbourhood. There are no shopping facilities either, or things like that.

There is an awful lot of traffic going in and out of the development, not to mention the Humber College buses and so forth. I am just afraid that one of these days we are going to see a school bus or a family just wiped out by some large dump truck or transport truck heading right into them as they turn on the amber light.

I spoke to the Ontario Trucking Association and they reminded me that they did ask for a general reduction in highway speeds, but their backup position was that if the government—

Hon. Mr. Snow: They asked for a reduction of highway speeds to 90 kilometres an hour. That highway limit is already 90 kilometres an hour. That is not a very good argument.

Mr. Philip: If you follow my argument through to the principle involved, then I think it is a good argument. They said that if the government was reluctant to reduce the speed for automobiles, then the association insists that it be reduced for commercial vehicles, providing that such is consistent with public safety.

In so doing, they were essentially saying that they were accepting the principle that in some instances it might make sense to have a different speed for trucks as distinct from automobiles. I recognize that in the United States and in various other jurisdictions it has been said that you can create problems by having two different kinds of speeds; one for trucks—

Hon. Mr. Snow: We have discussed this many times. The experts, the police and safety people continue to recommend that a uniform speed limit is the safest.

Mr. Kerrio: There is a difference. Trucks go 10 miles an hour faster than the cars.

Mr. Philip: I don't think that is true.

Hon. Mr. Snow: We have your letter and we are researching the material we need to reply to it. The fact there were nine trucks or whatever involved in 25 accidents at a particular intersection, without looking very carefully at the details of those accidents—I don't like to condemn the trucks automatically, saying the trucks were at fault. They may not have been at fault in any or all cases; I would like to know the proportion.

Mr. Philip: I am not condemning the trucks, and I am not suggesting they are speeding. On the contrary, I am suggesting that the trucks going at the speed limit on that particular stretch of highway with the traffic signals so close together and with the amount of time that seems to be allocated for the amber lights makes it difficult for the trucks to slow down and stop when they are obeying the law, let alone at night if some of them happen to be five or six miles over the speed limit.

I am suggesting that because this is a two-lane highway, it may be exempt from the principle of not having two speeds for trucks and for cars. At least in a two-lane highway, the trucks are in the inside lane. It does not create the kind of problem you get if you had one universal, province-wide speed for trucks and another for cars.

I am wondering if, at least until Highway 427 is built, you might look at either lowering the speed limit on that stretch of highway, or looking at the problem that is caused by the signals. The amber light may simply be too slow for the trucks.

Hon. Mr. Snow: We will take a look at that. Highway 427 is moving along quite well. It is under construction but it will be another three or four years before it is finished up to Highway 7.

Mr. Philip: You are still going to have an awful lot of truck traffic on Highway 27 because there is a new Cadillac shopping centre being built at Highway 27 and Rexdale Boulevard. There is also approval for a tremendous expansion of Shoppers World Albion, which means the truck traffic will have to go up Highway 27 to get into that major shopping centre.

I hope the minister will look into that. Maybe the solution is to lower all the speeds on that highway. Something has to be done, because the peace and quiet and the enjoyment of their homes of the people in that project is being disturbed by this noise all night. I am just afraid

we are going to have a bunch of children or a school bus—

Hon. Mr. Snow: We will bring to the attention of the Ontario Provincial Police, as well, that there is a problem in that area and maybe they can step up enforcement in that area.

Mr. Philip: My experience has been that there is not an enforcement problem.

Hon. Mr. Snow: I am not saying there is. We will look at our part to see if there is anything wrong with the sequencing of the lights or the timing of the lights, or whether any changes should be made.

Mr. Gilbert: Further advance warning, or anything like that.

Hon. Mr. Snow: I am not suggesting that we are not going to do anything. When we get a particular location brought to our attention like that, our normal procedure is to look into it to see what we can do. We also bring to the attention of the OPP that there seems to be a problem in that area and maybe they can give it a little extra attention. Maybe they can monitor it for a time and advise us of any changes they might think will be helpful.

Mr. Philip: That will be useful. I don't think you have speeding by trucks to a great degree on that stretch of highway and the OPP are fairly evident along there. I know they are behind me many nights when I drive home. They seem to be patrolling it quite well and I have not noticed a lot of speeding. When there are any speeders, I notice the flashing red lights seem to materialize fairly quickly and catch them. I do not think it is an enforcement problem, but the OPP may have some other solutions or some remedies.

Mr. Gilbert: As I recall, there was quite a bit of debate when that project on the entrance to the highway first started. I know there were a lot of discussions. We actually had some concerns, even when it started, as far as the intersection is concerned.

Mr. Philip: That was one of the major concerns of our local alderman, but unfortunately the borough saw fit to allow that project to go ahead without thinking through some of the problems it might create. We are starting to see—

Hon. Mr. Snow: Are there no left-turn lanes at those intersections?

Mr. Philip: Yes, there is a left-turn lane at Humber College Boulevard. That, by the way, is causing a problem at certain hours of the day also, because the left-turn lane is only a certain

length and cars in the outside northbound lane just back up.

Hon. Mr. Snow: I know we have been looking at one of the intersections you mentioned, highways 7 and 50. We are making some modifications—they may be completed now—by lengthening the left-turn lanes and putting in a right-turn slipoff to improve the conditions at that location. That has been brought to our attention and we are making some modifications there now.

Mr. Philip: I guess the cost of a turnaround or a separate entry on to it would not be contemplated at the moment?

Hon. Mr. Snow: Do you mean an interchange?

Mr. Philip: An interchange.

Hon. Mr. Snow: We do not have interchanges on noncontrolled-access highways. It would be very difficult to have it.

Mr. Gilbert: A lot of it is the capacity problem.

Mr. Philip: Would you agree this number of accidents in one year on any intersection like this, 30 in a year, would seem high?

Hon. Mr. Snow: It would seem high to me.

Mr. Philip: It would seem high compared to other areas.

Hon. Mr. Snow: I would not want to make any more comments until we get the details.

Mr. Philip: So can I assume that by, say, the middle of January, the minister will be responding to me on that?

Hon. Mr. Snow: I am sure. When did you say you wrote me?

Mr. Philip: I wrote on November 22.

Hon. Mr. Snow: It should be almost in the mail now because we try to respond to every letter within 10 days. If we cannot respond within 10 days, you would get an interim response saying you will get a more detailed response later.

Mr. Philip: I would rather have a thorough study of it and a later response than a quick response that really does not do very much.

10:30 a.m.

Hon. Mr. Snow: Our policy is that we try to respond to all letters from members or the public within 10 days. If it takes research that is going to take longer than that, then we would notify you of that and tell you when we hoped to get back to you with a more detailed response.

Mr. Philip: In my letter to you, I did not

include the figures that Mr. Hutton was good enough to obtain for me, related to the number of truck accidents, so you may want to add that to your battery. I must say that when we called Mr. Hutton he was very co-operative and very interested in the problem. I think I should at least compliment your staff, Mr. Hutton and whoever else was responding to my request for information.

There is another item I want to bring up, and I am sure I have discussed this with the minister before. I do not know whether you get it from other MPPs, but some people are quite upset that construction equipment moves without any kind of licensing. They see it both as a safety hazard and also as unfairness, in that other people have to have licences and have to pay for licences.

Mr. Gilbert: Is this normal off-road construction?

Mr. Philip: Yes. It is on your own highways.

Mr. Gilbert: To move equipment?

Mr. Philip: Yes. I brought that up a couple of years ago and I have not heard if you have considered requiring a licence for heavy construction equipment. It certainly eats up the road. The people approach it both as a safety problem and also as a finance problem.

Why do you not charge a licence for these vehicles since they are using the roads?

Hon. Mr. Snow: I am not sure exactly what type of equipment you mean. Basically, we do not require licences on heavy, off-road construction equipment or farm equipment—farm tractors hauling wagons. Implements of husbandry do not require licences. There are other requirements if they are using the roads.

Certainly we do not allow bulldozers and what not to run up and down the highways, but certain rubber-tired equipment is moved from job site to job site on the highways. They have to have escorts under certain circumstances. They have to have wide-load or long-load signs, red flags, slow-moving vehicle signs; there are certain requirements for safety purposes for them to be moved. What the benefit would be of putting a licence plate on them, I do not know, other than more bureaucracy to try to administer.

Mr. Philip: One of the questions that was asked of me by some constituents was, supposing you want to ticket one of these vehicles, supposing it makes a left turn where it should not, you have no licence to ticket. Who do you ticket? Do you ticket the driver, or how does that work?

Hon. Mr. Snow: You ticket the driver under any circumstances.

Mr. Philip: Yes, but how do you record the vehicle then? Do you just describe it on the offence?

Mr. Kerrio: I do not think you ticket the driver every time; many times you ticket the owner.

Hon. Mr. Snow: Not for a moving offence.

Mr. Kerrio: I will name you one who is trying to put a licence on the contractors.

Hon. Mr. Snow: I just cannot see any benefit. There are all kinds of different types of machines. There are the road graders that are owned by the road authorities operating on the roads; they are there to grade the shoulders and that type of thing. They are owned either by the ministry or by the townships, towns, cities or whatever.

There are the big earthmoving scrapers that move periodically from job to job. Quite often they do move under their own power. It depends on the circumstances whether they float them or whether they move them under their own power. Then there is the normal local contractor who has a front-end loader with a backhoe and who travels from small job to small job within the community, digging out a septic tank here and a culvert someplace else.

I agree they have to take the necessary precautions to move safely. I do not believe there has ever been a problem. From a revenue standpoint, if we did license them, what would we charge them? If you put on a huge licence fee, it is just built into the cost of the work they do. If you put a nominal charge for a licence on them for identification purposes only, the administration costs would be more than it would be worth.

I would have to have a lot of evidence that there would be some advantage and I do not think there is any advantage at all.

Mr. Philip: I promised someone I would bring it up.

Hon. Mr. Snow: It is no problem. We are looking to regulate someone who does not need regulating to create another problem. I don't believe the problem exists.

Mr. Philip: I think the minister may have a key point; namely, that if it costs more to issue the licence for the few vehicles there are than the revenue it produces, then it does not make very much sense.

I was just wondering, since I had brought it up

before, whether you had looked into that so you would have kind of a prepared answer I could at least give to the constituent, because it is the same constituent who keeps raising the issue over and over again and I promised I would ask you about it.

Mr. Gilbert: There is usually more supervision or control on those kinds of moves than the normal licensed vehicle moving, because it is an operation where they are going from one job site to another. If they require extra width or have any other requirement, then they have that in advance, so it is a pretty well-organized move in those cases.

Mr. Kerrio: You talked about charging the driver, but I will tell you about an experience I had with a mobile crane that had hydraulic outriggers on it. That vehicle was stopped and charged with being over width.

Hon. Mr. Snow: Oh, that is a measurement.

Mr. Kerrio: Do not jump in yet. It was being operated by a fully-licensed operator who could withdraw those outriggers easily to the proper width. I went to court and fought the case and lost it. The judge said: "That is too bad, but that is the way the regulation is written. It does not seem fair, but that is the way it is."

This man, who was a licensed operator, was being paid a top wage because he carried—

Hon. Mr. Snow: I am sure you paid him very well.

Mr. Kerrio: More than I am making here.

Hon. Mr. Snow: I would not make that comparison.

Mr. Kerrio: He was much more productive. The fact of the matter is that there is a case where the owner was charged.

Hon. Mr. Snow: The owner would be charged because it was an over-width vehicle. There may have been negligence by the operator of the crane in not bringing the hydraulic outriggers in, because they would have to be able to be brought in or the vehicle would not be—

Mr. Kerrio: The machine was legal when they were brought in.

Hon. Mr. Snow: That is a negligence thing and that is something you would have to settle with your employee. If the vehicle on the road is over width, then the charge is against the owner of the vehicle. If that driver had made an improper left turn or was speeding, or something along that line, then the driver would be charged, because it is his negligence. That is just the way the regulations are. If it is a moving

offence like that, a driving offence, the driver is charged, but if it is a case of being over width or overloaded, that type of offence is charged against the owner.

Mr. Kerrio: While I have the floor, there are a couple of areas that concern me. I hope you never consider licensing people who might have 10 or 12 pieces of equipment and only use them periodically in moving from job to job, especially now, with the situation as it exists for contractors.

Hon. Mr. Snow: I can assure you we are not considering that, for the reasons I have just given.

10:40 a.m.

Mr. Kerrio: I was thinking of highway safety as it relates to the restriction of trucks in particular lanes. In many instances there are other vehicles that perhaps should be included in that range, particularly undersized cars with oversized trailers. They are probably more of a hazard than a truck that has a good power ratio and more ability to handle itself.

I'm thinking too of those big vans under 6.9 metres in length that are allowed to travel in that left-hand lane.

Mr. Larratt-Smith: Twenty-one feet.

Hon. Mr. Snow: Twenty-one feet.

Mr. Kerrio: Come on, not feet, it's metres. Interjections.

Mr. Kerrio: I know the new leader of the third party is having difficulty with his arithmetic, but I didn't think you people would be.

Mr. Samis: I've got my calculator here.

Mr. Kerrio: The point I'm trying to make is that within that limit of 6.9 metres, or whatever it is, under 30 feet, with a big van that from the rear takes up as much or more room than any of the largest vans, it seems like a dangerous situation, particularly in crossing the Burlington bridge or in restricted areas.

I would find it easy to live with restricting those lanes, as in other jurisdictions I've seen, and to really try to keep it to automobile traffic where there is such a problem. If you follow, as I said, an undersized car with an oversized trailer—

Hon. Mr. Snow: The Burlington bridge is a poor example because it is only a two-lane bridge. Where we do restrict the vehicles is where we have the three lanes in each direction, as on the Queen Elizabeth Way.

Mr. Kerrio: I would put the same argument for that situation.

Hon. Mr. Snow: On the Queen Elizabeth Way, for instance, where it's a four-lane highway, two lanes in each direction, we do not restrict trucks from going into the passing lane. Otherwise they would never be able to—

Mr. Kerrio: I'm only talking about where the restriction exists.

Hon. Mr. Snow: It is only used where there are three or more lanes.

Mr. Kerrio: I want to have more restriction. In these three-lane areas and on that skyway area I would like to keep out cars and trailers and these vans you can't see past. This is just for your consideration. I find it very difficult. I see more and more abuses in the use of our highways related to travelling in that outside lane.

Hon. Mr. Snow: I get a lot of complaints from the truckers that slow-moving cars get in that middle lane, which is their passing lane. They're not allowed to go out into the third lane.

Mr. Kerrio: Right.

Hon. Mr. Snow: You get these slow-moving cars that drive in the middle lane. Maybe there is traffic in the first lane so the truck driver can't go by them on the right-hand side. He is not allowed to go out into the third lane, and they just sit there defiantly in front of that truck and do not let them pass. I get complaints like that from the truck drivers.

Mr. Kerrio: That's exactly the complaint I'm making because the same thing happens in that outside lane. I'm wondering if the training in a restricted area rather than more training on the highway is leading to more and more of this.

Hon. Mr. Snow: We're not training in a restricted area. I don't know what you mean by that.

Mr. Kerrio: I'm talking about training someone within the city. If they get out on the highway and sit in that passing lane at 50 miles per hour, we're not getting maximum use of the highway.

Hon. Mr. Snow: Now you're back to imperial measurement again. You were giving us hell a minute ago for not being metric.

Mr. Kerrio: It's a throwback, isn't it?

Hon. Mr. Snow: Now you're back to miles per hour instead of kilometres.

Mr. Kerrio: Okay, it's 1.62 when you're going one way and 0.62 when you're going the other way. At 90 kilometres an hour the people sit in that lane and we are beginning to have a

highway system where people are passing on the wrong side. I've seen the same with the trucks.

Hon. Mr. Snow: Theoretically, those people feel that if they're going 90 kilometres an hour they're 10 kilometres below the speed limit. A lot of them sit there at 100 kilometres an hour and say, "I'm at the speed limit and no one should be wanting to pass me anyway, so I can drive in this lane at that speed."

Mr. Kerrio: I don't know what it is, but a habit seems to be developing with drivers in Ontario particularly, as opposed to other jurisdictions, where we're not making maximum use of the highways. I see many trucks in the centre lane, trying to get by traffic, while in many instances the righthand lane is clear.

I am maybe not critical of your position in this matter, it may be more of an enforcement problem, or it may be a little of both. It may be something that should be covered during driving training, but we're not using our highways to their maximum because of this situation.

It seems to be prevalent on the highways. I don't know how you see it, but I would hope some restriction would help—if you got those cars with trailers and other units out of that outside lane. It's worth considering.

Mr. Gilbert: In the American jurisdictions, the motorists will move out, pass and then move into the other lane in a lot more orderly fashion than seems to be happening here.

Mr. Kerrio: Exactly.

Mr. Gilbert: I don't know why that is.

Hon. Mr. Snow: I think it's because we drive so much more on our own highways and we see it happening. I'm not convinced that the American drivers are any more courteous or understanding than we are.

Mr. Samis: What kind of signs have they got?

Mr. Larratt-Smith: There are signs out there that say "Keep right except to pass."

Mr. Samis: I don't think the average person relates to that. I take Highway 401 east, for example. Most of them don't relate to that at all in terms of the issue Mr. Kerrio has raised.

Mr. Kerrio: No, they don't.

Hon. Mr. Snow: The signs are there. We don't have a sign every half mile. We have too many signs on the highway now.

Mr. Samis: No, you'll see that sign virtually anywhere in the province. In terms of this particular problem, I don't think motorists understand that the sign relates to that situation.

Mr. Larratt-Smith: It's essentially a courtesy problem, rather than a hard enforcement problem. The issue the traffic engineers always raise is it's fine when the traffic is relatively thin to have that happening like that, but once the traffic begins to bunch up, you may have situations where the righthand lane is, under certain conditions, moving ahead of the left-hand lane.

Mr. Gilbert: Then you get the drivers who don't want to get back in again, or who feel that once they get out, they can't get back in.

Mr. Samis: I realize that, but with regard to the situation Mr. Kerrio has raised, maybe if you had just one sign on Highway 401 east outlining the rules of the game in simple language, you would find a considerable improvement in people's driving habits.

If I am driving from Toronto to Montreal, there isn't one sign that says anything about that situation. Why the hell should I do anything, unless I'm courteous by nature? If you had one or several signs east of Toronto on the way to the Queen Elizabeth Way and the other major expressways, you might notice a difference in people's driving habits.

Mr. Kerrio: There are two different signs. One says "Slower traffic keep right," and the other says, "Left lane for passing only," or some such thing. There are two different signs to make people observe the same situation.

In one instance you have said that if you're out there doing the maximum it is proper for you to stay there, but if the other sign says "Slower traffic keep right" that doesn't refer to the speed limit. In any event, it's a question I would like you to look at.

I think it may have something to do with taking the driver training off the main highways and doing it within governed situations. I'm afraid not many people get exposed to highway driving when they get their licence.

Hon. Mr. Snow: Yes, I have that worry too. I think that in a proper course at the driving schools, a certain number of hours of instruction on freeway driving should be required.

Mr. Kerrio: Yes.

Hon. Mr. Snow: It's very difficult for us to put that into regulation. If we're talking about a person in Pembroke, Cochrane or Timmins and we say those people have to have an hour or two hours of instruction on freeway driving, they might have to go 500 miles to do it. It's impossible; we cannot make it a requirement to get a licence.

You and I fly. We know you have to have so many hours of night flying, so many hours under the hood, so many hours of doing this and that. You have to pursue all these different things to get a licence.

Mr. Kerrio: Everything you're likely to run into.

Hon. Mr. Snow: I've used the argument that for a driving licence you should have to have so much freeway driving. You can theoretically get your driving licence just by driving around in 50-kilometre zones, never having been out on a provincial highway at all. You can take your instruction totally within a municipality and get your licence. These are things we have looked at, but in a province as diverse as Ontario with its different conditions, it's very difficult to make those kinds of rules.

10:50 a.m.

Mr. Chairman: Thank you, gentlemen. I think we should move along here. We have one more speaker on this vote.

Mr. Samis: Hold on. This stallion here needs a little taming. I'm going to bring up three or four issues. I won't pursue them individually, so we can get on to the roads vote.

First, could you bring us up to date on the whole question of any possible legislation regarding driving schools in the province? Nothing has happened since the last estimates.

Second, what initiatives are being taken in view of the continuing disturbingly high statistics involving motorcycles in the province? The numbers of drivers of motorcycles have gone up, but so have the accidents—at a continuing rate over three consecutive years, if I am not mistaken.

Third, we were promised some figures on seatbelt usage in the province. Could you give us those figures? I think a survey was done. Perhaps we could get those figures as well.

Fourth, what input has the province had in terms of design and safety standards for vehicles in the country and dealing with the federal government? Have we had any at all?

Fifth, I won't go through the argument, but I do want to hear the rationale for allowing people to drive at 16. I raised the matter last year and the minister just said there was no change in policy being planned. In view of the accident statistics published, whether you go from 1979 to 1980 or 1981, the pattern is always the same: drivers at 16 have by far the highest rate of accidents.

I realize there is a tradition in the province,

but in terms of the urban nature of our society and the fact you have changed the drinking age three times in the last seven or eight years, the fact we've changed the definition of an adult in society, and then made drastic changes in other areas in the last 10 years, why is this particular item sacrosanct in your eyes?

Last, do you have any information on this Traffic Injury Research Foundation of Canada based in Ottawa, on which there was a report in the newspapers a while ago about restricting young people from freeways, from night driving or from having a certain number of passengers?

I won't pursue it beyond that, but I would ask the minister to address each of those points.

Hon. Mr. Snow: First, with regard to the driving schools, we did a considerable amount of work two or three years ago on the possibilities of setting up a licensing procedure for registration and licensing of driving schools and setting standards for driving schools. It was decided by the government at that time that it was not something we should be proceeding with. It has its problems.

We had proposed standards of classroom requirements, with so much classroom training required in addition to so much on-the-road training. This has all kinds of problems. Again, with a diverse province like ours, in many small communities you have someone who is a licensed driving instructor who runs a small driving school out of his home. If you set standards saying he had to give classroom instruction and things of that type, you would end up with no driving school. It would not be a qualification that could be met. It's just not as easy as one thinks.

It's still something we have in our possible future initiatives, but it is not something we're aggressively proceeding with at this time. We had a bill prepared; the Special Driving Schools Licensing Act.

Mr. Cunningham: You introduced it; Bill 126?

Hon. Mr. Snow: I believe we did introduce it. It never got through. We ran out of time in that session of the Legislature, and we have not brought it back. It's very difficult to have an act like that.

We were not proposing that it be compulsory to go to a driving school in order to get a licence. I think that many parents and so on can teach their children just as well as any driving instruc-

tor, and maybe even better. Especially if you get a place like Nakina or Armstrong—

Mr. Cunningham: Or Hornby.

Hon. Mr. Snow: —or Hornby. You may get a requirement that everyone has to go to a driving school to get a licence. It would be a tremendous hardship for the people from Nakina who would have to go to Thunder Bay or Sault Ste. Marie or some place where there would be a driving school. I do not think that would be acceptable to John Q. Public of this province. It was decided that this was another level of regulation that was not necessary at this time.

As to the motorcycle problem, I do not have any particular answer. It is a worry to me. I drive one of the bloody things once in a while. I have concern for the statistics this year up until the end of August.

We have nine per cent more deaths this year than last. Last year we had 64 deaths and this year we have 70. Six more people have been killed in that period, while at the same time the drivers of automobiles fatalities are down 32 per cent and passenger fatalities are down 33 per cent. We have a great many more motorcycles on the road, and they are being used a great deal more for transportation because of the economy of the beast.

Mr. Samis: I think I did raise it in my little outline of questions in the opening statement. I should have included—and I apologize for breaking the rule, and I do not know if you replied to it—the question of arrangements being made with the Canada Safety Council for driver training. I think you brought it up in Brampton, Burlington and Oakville, and I had asked if there are any other facilities around the province, and arrangements with the safety council—

Hon. Mr. Snow: A number of the community colleges are offering motorcycle training courses, as well as a number of the motorcycle clubs. We have now authorized—and Mark could tell you in more detail—some of these private-sector organizations, as we call them, to do certification.

Mr. Samis: My point is that I want to see how much of it is available beyond Metro Toronto.

Hon. Mr. Snow: I was in Thunder Bay one evening, and I saw, on our MTC parking lot of our regional headquarters, the local motorcycle club in conjunction with one of the manufacturers putting on a course. They had all the ramps set up and whatnot, and were giving an excellent motorcycle course. I sat there one evening for

an hour and watched them training young drivers and old drivers, whoever they may be, in the operating techniques of a motorcycle.

Mr. Larratt-Smith: This was the first year we went into the program of allowing certified schools or certified instructors to actually give the licence. The logic is that if they do a decent job, there is really no need for a relatively short ministry test at the end. This year they did 4,275 people, of whom they failed 576; they passed 3,699.

Mr. Samis: Excuse me, when you say “they,” who are you referring to?

Mr. Larratt-Smith: These are the approved authorities, the people who have been approved by us. I shall get into the details on that.

By comparison this year, we tested just under 25,000—it was 24,295—in the examination centres, both those passed and failed tests. We had hoped the number would have been larger than that, and we are hoping it will be larger next year, as the community colleges get more fully into it.

Hon. Mr. Snow: There is another thing, too, Mark. I have met with the motorcycle clubs. I think I have another meeting coming up in the near future with—I have forgotten the name of the organization; it is the Ontario Motorcycle Council or—it is a very responsible motorcyclists' group. A number of the people I met with were from Windsor, I remember. We have discussed possible changes to legislation.

One of the things we have discussed and are looking into is if a person goes out and gets his motorcycle licence, driving a 250 cc motorcycle; he gets his M licence. He can go out the next day and buy a 1200 cc machine, which is tremendously powerful, and which he is not capable of handling.

11 a.m.

One of the things I discussed with the industry and with the club is the possibility that when a person first gets his or her M licence it should be limited to operating a motorcycle of 500 cc or less, for instance, and that there should be a restriction to, say, a one-year period or something. This is not going to be foolproof. Anyway, I think the statistics would show that the majority of motorcycle accidents are in the first year or so of the person's getting the licence.

We know how many people have M licences; we have no idea how many of those M licensees are still active motorcyclists. A person can get a motorcycle licence, say, when he or she is 18 years old. They have a bike for two or three

years, get rid of the bike, and still maintain that M licence; they may never drive a bike again in their lifetime, but according to our statistics they are still a licensed motorcyclist.

In some of the meetings I have had with these industry people, that is one thing on which we agreed—that it would be a good move to restrict the newly-licensed motorcycle operator to a bike with a maximum capacity of 400 cc or 500 cc, or whatever figure is decided. That would at least mean they would have to ride a smaller bike, easier to handle, with less power, less speed, until such time as they get some experience under their belt.

Mr. Larratt-Smith: If I may answer Mr. Samis' specific question, this past year, those 4,200 people who were processed were processed by the following: the Belleville Recreation Association had one instructor who was authorized to give the licence; Cambrian College in Sudbury, one; Canador in North Bay, one; Conestoga College, two; Fanshawe College in London, seven, I think; Frontenac board of education, one; Georgian College, three; Metro Toronto police force, four—one of the reasons we did this is obviously it does not make any sense for our people to be testing police officers who have been trained by a police facility such as Metro Toronto.

Northern Motorcycle Safety in Thunder Bay, one; Ontario Provincial Police, two; Ontario Safety League, five in Toronto; Ottawa police force, one; Ottawa-Carleton Safety Council, I presume, four; Sheridan College in Oakville, four; Sir Sandford Fleming in Peterborough, one; and St. Clair College, Windsor, two. That is the present distribution of authority.

Mr. Samis: It sounds as if you have reached out in the province, but is it not fair to say that the preponderance is still in the Metro area?

Hon. Mr. Snow: I wouldn't say that, no. We can give you a copy of that.

Mr. Samis: Okay.

Hon. Mr. Snow: Then we move on to seatbelt usage. From the latest statistic we have, which is May 1981, it is approximately 60 per cent. I do not know how much more time you want to spend on that.

I believe that in the list of polls or surveys we have done there is one on which we don't have the report, but that is basically on attitudes towards the seatbelt legislation, not so much on usage.

On the design standards of vehicles: we really have very little involvement in that. Design and

safety standards of vehicles manufactured or imported into Canada are under the jurisdiction of the government of Canada.

Mr. Samis: My question was, do you have any involvement?

Hon. Mr. Snow: Sure. From time to time, if some matter comes up that is of concern to us I write to the federal minister and bring it to his attention. When they were developing the D-250 school bus standard we had a considerable amount of input into that.

So we do have input and I think any recommendations or suggestions we make are taken seriously.

Mr. Larratt-Smith: Mr. Minister, I might just add that it depends a little bit on whether it is a standard that is adopted pretty well directly from the United States. As you know, many of them are North American standards and it is very difficult to vary. Obviously we have very little input there, as the minister says.

The school bus standard is a good example. A lot of the work was done in Canada, and basically by the Canadian Standards Association. We have had fairly strong representation on CSA standard-writing committees and we continue to do that and it works very well.

Hon. Mr. Snow: The next item was the age-old problem of what the age limit should be for a new driver. It has been 16 years for a very long time. I know that in my day I got my driver's licence at the age of 15.

Mr. Samis: That's why they changed it.

Hon. Mr. Snow: That was during the Second World War.

Mr. Samis: I won't say the First World War.

Hon. Mr. Snow: No, not the first, but the second.

Interjections.

Hon. Mr. Snow: As a farm boy, it was legal for me, at age 15, to apply to get a licence.

Mr. Samis: When did you start driving?

Hon. Mr. Snow: At the age of about eight, or nine, or six.

Mr. Samis: That was in the 1920s. I am talking about the 1980s.

Mr. Cunningham: So much for enforcement.

Hon. Mr. Snow: No, I didn't say I drove on the road, but I sure drove vehicles at that age. I drove a Titan tractor, and if you can drive a God-damn Titan tractor you can drive anything.

This comes up from time to time. I am not convinced that there is any real need to change

the driving age. When you look at the statistics, the number of people injured or killed in automobile accidents, broken down by age, there is a lower percentage of 16-year-olds than there is for ages 17, 18, 19 or 20, as far as that is concerned.

That is the class of victim. I don't seem to be able to find the sheet for drivers. It is probably here.

Mr. Samis: It is on page 21.

Mr. Larratt-Smith: Pages 20 to 21.

Interjections.

Mr. Samis: In 1980-81, the age 16 has by far the highest rate, especially male drivers. It was the same story in 1979 as well.

My point is, is age 16 sacrosanct?

Hon. Mr. Snow: I don't suppose it is.

Mr. Samis: It just sounds a little difficult in society when you say, "You are not responsible enough to drink until you are 19; you are not responsible enough to vote, etc., until you are 18," but with this activity in life somehow or other we say, "You are responsible at 16." It just doesn't seem to jibe.

If you look at the social costs in terms of accidents, the Ontario health insurance plan, insurance, personal damage, injury etc., what do we gain in society by keeping it at 16?

Mr. Gilbert: At age 16, you get a lot of new drivers. That is the problem. That is their first year of driving, and probationary licences should help pick up—

Mr. Samis: I think probationary licensing is a step in the right direction. I still have nagging doubts about whether it should be 16 in the first place. It is a personal opinion, and I fully acknowledge that.

Hon. Mr. Snow: Historically, it has been that age for many years. I certainly think one would have a very difficult political reaction to changing it, especially in the rural areas of Ontario, where it's very necessary for those young people to be helpful and—

Mr. Samis: I agree, but in Toronto, what is the latest census figure? That we are 70 per cent urbanized as a province now? I think you have to look at the urban side.

There is no need to be driving at 16. Society doesn't get any particular benefits out of it. It is a great cost to society. Why are we doing it?

Because of the social cost involved in the drinking issue, your government made two major changes in the last decade. But, in this one, we don't seem to be even considering the

issue. It seems to be semi-sacrosanct, and I don't see why it should be, especially in view of these statistics every year.

11:10 a.m.

Hon. Mr. Snow: I'm not so sure. If you changed it, say, to 17, then I'm sure the 17-year-olds would have the highest number of accidents because many young people have to have that first little fender bender to—

Mr. Samis: There's no question they would still have the highest rate, but you would take the most dangerous group off the road for one year. If you raised it to 18, you would take the two most dangerous groups off the road for two years. Even then you would have the highest rate at 18. I acknowledge that and I acknowledge the—

Hon. Mr. Snow: The next time I'm talking to a bunch of students I'll tell them that's the NDP policy.

Mr. Samis: Then tell them your policy on the drinking age.

Hon. Mr. Snow: With respect to the Traffic Injury Research Foundation, there are a number of these organizations that we are involved with. Mark, do you want to make any comments on our involvement?

Mr. Larratt-Smith: I can comment on that. That is a group that has a wide base of sponsorship both in the public and private sector. Involved are a number of governments, federal and provincial, and a number of private sector sponsors, most particularly the insurance industry, which is very interested in their work.

A lot of their work has been concentrated in the drinking and driving area, which has of course a very high priority. The ministry does support them to the extent of a grant of \$20,000 which is listed in the estimates material. We've moved to trying to have an annual meeting with them on the kinds of priorities and interests the Ontario government has for the work. That isn't simply a sustaining grant, but a grant that is seen as leading to the kinds of things we have an interest in and that is due to be done again rather shortly.

Hon. Mr. Snow: We have other organizations we work with. There is the new one in Hamilton, the road trauma group we've been working with and giving some funding.

Mr. Samis: The only reason I raise this one is that I thought their recommendations were rather novel. They have a rather different approach to the problem of accidents on the

highway, especially those involving young people—not that I would be prepared to endorse it, but I thought it was rather novel anyway.

Hon. Mr. Snow: We get a lot of recommendations from a lot of different places.

Mr. Larratt-Smith: They certainly are paid to be an independent source of such kinds of recommendations. That's the whole point in having them.

Mr. Di Santo: I would like to ask the minister just one short question. I've been writing to you regarding the land at the driving centre at Keele Street and Highway 401. I understand that you have decided to dispose of that land. I have received several inquiries from the residents because there has been some confusion as to the destination of that piece of property.

I would like to ask you if it is true that you have decided to get rid of that land. If you have sold it, how much money have you received for the land? Are you aware of any plan that the government has about its destination?

Hon. Mr. Snow: I don't think there has been any decision made on the disposal or the ultimate use of the land.

At the driver-testing area we still have the mechanical inspection facility. The use of that is being reviewed as well. But the government has done an overall land inventory. The Ministry of Municipal Affairs and Housing, for instance, has identified major pieces of land such as that; there is quite a bit of surplus land there.

Mr. Di Santo: Twenty acres.

Hon. Mr. Snow: That is not our land. That belongs to the Ministry of Government Services.

I can't tell you where the whole matter stands at this moment, but I know there have been some suggestions that, with the shortage of land for housing in Toronto, there may be situations where some of that land could be used for housing development, for instance.

There have even been suggestions made—I don't say whether I support them or not—about the huge parking lots at our Downsview complex on the north side of Highway 401. We have I don't know how many acres there, but there are acres and acres of parking lots and it might be possible to use the air rights above those parking lots for apartment buildings or something like that, so we would be getting double utilization of that land. We would still have the parking, but we would also have housing on it. That's not part of my ministry.

Mr. Di Santo: Yes, I understand that. What is the process? Who makes the decision?

Hon. Mr. Snow: The government does.

Mr. Di Santo: You are not part of the government?

Hon. Mr. Snow: No. You make suggestions.

Mr. Di Santo: I understand.

Interjections.

Hon. Mr. Snow: When one goes up to the top of the CN Tower and looks down you see all kinds of parking lots and a lot of land being used for parking. There is no doubt that some of that land could be better utilized. You could still supply the parking and have housing or some other use as well.

Mr. Di Santo: Public parks.

Mr. Gilbert: From our point of view, as long as we have our parking or what have you, and if another use can be made of it, then we would agree—

Mr. Di Santo: You are talking about the north side.

Mr. Gilbert: On the north side, sure.

Mr. Di Santo: I was talking about the south side.

Hon. Mr. Snow: On the south side the OPP Downsview detachment shares that site. We have our centre there, but there is a possibility that our centre could be phased out totally and all of that land—

Mr. Di Santo: It all belongs to the Ministry of—

Hon. Mr. Snow: It belongs to the Ministry of Government Services. All land, even our Downsview complex, our office building, everything, belongs to the Ministry of Government Services. The only land this ministry owns are the highway rights of way and surplus lands along the rights of way which we dispose of.

Mr. Di Santo: So if someone is making a decision at this point it is not you but the Minister of Government Services (Mr. Wiseman)?

Hon. Mr. Snow: It would be the Minister of Government Services if there was going to be any disposal of that land, but we would be consulted because we are the user ministry.

If they decided to take half that land and make it available for multiple housing or something, that would be Government Services and the Ministry of Municipal Affairs and Housing. No doubt it is zoned; I am sure if you looked at the zoning map it is zoned for government use,

so it would have to be a matter of a rezoning within that municipality.

Mr. Di Santo: I am asking the question because in a letter that you wrote on October 7 to a Maria C. Augimeri, you said that the government has under consideration a proposal for redevelopment of this property and this matter is now being reviewed by the ministries of Housing and Government Services.

Hon. Mr. Snow: That is exactly what I said today too.

Mr. Di Santo: I thought we were at a stage beyond what you are saying. It is not just suggested—

Hon. Mr. Snow: I am not aware what stage it is at. I know the Ministry of Municipal Affairs and Housing, in trying to get more affordable housing and better utilization of land, takes a look at these large areas of government land and thinks there could be better utilization of some of those lands. I just brought up as an example the possibility of building apartment buildings on our Downsview property.

Another thought that has been discussed in many areas is with shopping centres. In many of these plazas you see, with large areas of land and one-storey commercial buildings, why couldn't there be housing on top of that? It would be better utilization of that land.

Those things are not part of my responsibility but they are things that can be considered.

Mr. Di Santo: If a citizen wants to inquire about the disposition of this land, which ministry should they ask?

Hon. Mr. Snow: The Ministry of Government Services.

Mr. Chairman: Are you ready to proceed with the voting on 2703?

Vote 2703 agreed to.

On vote 2704, provincial highways program:

Mr. Cunningham: In that last vote I was supposed to ask on behalf of Mr. Conway and Mr. Nixon if we could get some more points on their drivers' licences.

11:20 a.m.

Hon. Mr. Snow: They come automatically. If they don't have any infractions for two years, they get all their points back.

Mr. Cunningham: I think we have the root of the problem.

Is this the appropriate time to ask about—

Hon. Mr. Snow: Did the member for Grey-Bruce (Mr. Sargent) ask that question? It seems

to me he had that problem too a couple of years ago.

Mr. Cunningham: The member for Renfrew North (Mr. Conway) will have to go back to China for a couple of months.

Is this the appropriate vote to do with the skyway?

Hon. Mr. Snow: Yes.

Mr. Cunningham: That is what I would like to talk about. I don't think I am being parochial on the subject of the Burlington Bay Skyway but I was wondering if the minister could bring us up to date with regard to that project, where we are exactly on it and on the access on either side of it.

Have you finalized your agreements with the federal government with regard to the lift bridge—mindful, of course, of some comments, of which you are well aware, with regard to the steel industry in Hamilton, the extent of unemployment in our city? Just what plans have we there with regard to construction style and design?

On that subject, with regard to employment, I know the chamber of commerce has engaged in some public debate with you that I may not necessarily agree with, the use of steel versus reinforced concrete. For my part, I would like to become a little more clear on just what your intentions are and what you are doing in that regard.

Hon. Mr. Snow: I could bring you up to date on the general project, the number of questions in there.

With regard to the chamber of commerce, I spent an hour or an hour and a half this week with three representatives of the chamber; Mr. Carter, and I don't remember the other two names. One was from Stelco. They came in and basically wanted an update on a number of transportation matters in the Hamilton area, so I met with them.

The whole Burlington Beach project extends from the Freeman interchange, where the QEW and Highway 403 join, down to Highway 20, or at least to Burlington Street. There are two contracts under way on the arterial road at ground level. One contract for some of the arterial road construction was awarded last summer.

Would you like to sit up here and see this map, or do you want to go into it in that detail?

The whole project is split up into a number of contracts. The first contract was awarded—you have to add that green line to that green line and

it would extend out there towards Vince. The first contract awarded is this hatched yellow area here, which is on the south side of the canal, which includes filling in some of the bay and building a dike there and so on. That is under way at this time; the contract was awarded last summer to Dufferin Construction.

The next contract is this orange one, which ties on to this matched line here and includes the widening of the lift bridge to four lanes. That is a contract which we are funding, but which was awarded by the federal Department of Public Works. They called tenders on that about last August and the last time I drove through there it was coming along quite well. I believe the same contractor, Dufferin Construction, got that job, although we didn't award it. It was awarded by the federal Department of Public Works. So those two contracts are under way and coming along quite well.

Mr. Cunningham: Okay. CC4344, the federal contract; when will that be done?

Hon. Mr. Snow: The bridge work has to be done during the winter when the shipping season is closed. It has all been scheduled to allow that to be done. A lot of the road work is done now. The work on the bridge has to be done about now, when the shipping season is closed. They will be doing that work now and they have to have that bridge back in operation by the time the ships begin to move in the spring.

Our requirement is for the total contract to be finished by about June or so, but often the contractors are ahead of our time limit.

This purple contract here is out to tender now. That ties on to the orange contract and rebuilds the Highway 2 interchange and rebuilds a lot of Queen Elizabeth Way up to this point.

That contract is out to tender. It was to close last week, but there was some technical detail—I forget what it was—and the tender closure on that job has now been extended until January 12, I believe. It will be awarded, in any case, so the work can get under way in the spring. That is about a \$12-million job, so it is not going to be completed in one construction season, regardless of who the contractor is.

There is a job down here, this yellow one, which is modifications to Burlington Street. That is to go to tender early in the new year, in January, so that work will start next spring. That is not a very big job, about \$1.8 million; that will probably be completed during the one construction season.

This blue job here, which includes the new Fairview interchange connecting into the work

that Burlington has done—Burlington has rebuilt Fairview Drive and Maple. There is a huge new shopping centre going in there in the future. The Rambo-Hager creek diversion comes down through there. There is all that stuff. That contract, I think, is scheduled to be tendered in June. That, again, is a large contract, \$14 million or \$15 million.

Mr. Cunningham: That will take the Tien Kue restaurant right out of there.

Hon. Mr. Snow: The Tien Kue disappears, yes. We have owned that for some time and leased it back to them until we need it.

Mr. Cunningham: We can blame you for the egg foo yung?

Hon. Mr. Snow: No, I don't take any commission off it or anything like that.

Then there is another contract; I cannot remember offhand the exact date of this one. This other blue contract is for some of the reconstruction of the Fairview Road interchange.

There will be work done up here, north of the Queen Elizabeth Way. The general public will see work being carried out which they will think is part of the construction of Highway 403 to the north, which it is, but they are really taking the fill out of there. There is a major cut to go through there. The fill required for all of these contracts down here will come out of there, so when we go to do this contract, half of the work will already be done.

There is one more contract on this arterial road, but I have to point out that when this yellow contract down here is completed, and this one is completed, and these others, that gives us the road across the beach, but it ties back into the QEW. This road along here is a four-lane arterial road which is being built in conjunction with the region and the Hamilton Harbour Commission. That road becomes not only an arterial road but it also gives access to a major new industrial development in the Hamilton harbour area.

Mr. Cunningham: Is that a regional road?

Hon. Mr. Snow: No, that will be our road, we will be awarding that contract, but there is some kind of cost sharing with the Hamilton Harbour Commission and the region, because the sanitary sewers, watermains and what not are going in as part of the construction to service that industrial area.

We expect to call the major contract for the bridge itself, which is the green area, early in 1983. I cannot give you an exact date on that; I

have a variety of dates between February 9 and June 15, roughly.

The earliest date by which we could have the plans ready to go to tender is February. Whether we go to tender in February or whether it is March or April will depend somewhat on the projected cash flow and what money we have in the budget for next year, because that is a very large contract. Once it is awarded it will eat up a substantial portion of our budget for about three years.

If you add up the money—that one is \$11 million and this one is \$14 million—that's \$24 million for those two contracts alone, not to mention these others.

11:30 a.m.

The bridge contract is estimated in the neighbourhood of \$40 million. It is being designed as a concrete bridge and as a steel bridge, and will be tendered on that basis. We have pictures I could have brought over. It is similar to what we did at the Belleville bridge we opened last week. Two years ago it was tendered on that basis. We received, if I remember correctly, three or four steel tenders on that bridge and one concrete one. A steel version got the job at about \$1.5 million or \$1.3 million under the concrete bridge.

As another example, the large job the region of Hamilton-Wentworth is doing on Burlington Street in Hamilton is a \$30-million job. They designed that both ways; for steel and concrete. In that case, the concrete version won the job at about \$28 million. The lowest steel price was something like \$32 million or \$33 million. So there was a tremendous saving on that job to go concrete and that was the region's decision. They worked with us on that because we are funding a very high proportion of it.

Mr. Gilbert: There will be a model of these.

Hon. Mr. Snow: We have a model of this bridge completed. I do not know whether it is there or not, but we are going to go over to Hamilton city hall and put it on display in the hall so people can see actually what the new bridge is going to look like.

The looks of the bridge will be almost identical, whether it is concrete or steel. It is not an overhead; it is not a massive structure like the present bridge. It is a different design.

Mr. Cunningham: Not lower?

Hon. Mr. Snow: The level of the road is the same height to give clearance to the ship canal, but you do not have any steel above the road

level. It is not like the St. Catharines one, and so on. It is a more modern design.

Basically, standing back and looking at it—and I have pictures of the model of both the concrete and the steel bridges—other than the fact that one is steel and the other is concrete, there is very little difference in the looks.

In order to get competitive bidding and to give both segments of the industry the opportunity to bid on these large jobs, we find it advantageous to give the option. We will not know which it will be until the bids come in. Either design, either material, is equally adequate as far as the ministry is concerned.

There is a great deal of steel in the bridges, regardless of which way it goes. From the Steel Co. of Canada Ltd.'s point of view, there is more plate and beams and what not if it is a structural steel bridge. On the other hand, if it is the other kind, then there is a lot more reinforcing steel, and so on, which is also made in Hamilton.

As I said in the House one day, from a labour point of view, it has always been my experience in my 30 years in the construction industry that a concrete structure, no matter what you are talking about—a building or a bridge or what—gives more hours of on-site labour, by far, in forming and pouring and placing the reinforcing steel in concrete, than in a structural steel frame which they come in and whip up in a day. The labour hours are in the steel shop.

We think we are being very fair, giving both segments of the industry an opportunity to bid. I explained that to the chamber of commerce and the representatives who were there the other day and they were fully in agreement with that, regardless of what Mr. Carter had said previously.

Mr. Cunningham: Once they understood the facts.

Hon. Mr. Snow: Once they understood the facts. It is always better to get your brain in gear before you get your mouth going.

Mr. Cunningham: I have always advocated that.

Mr. Kerrio: I have a quick supplementary. What about maintenance on the two alternatives? You have had a long experience now in Ontario.

Hon. Mr. Snow: That is a good point, a hell of a good point. If it is steel, it will be that new type of steel—

Mr. Kerrio: It has a rust inhibitor.

Hon. Mr. Snow: —that Stelco puts out, that you never have to paint. Bridge painting is a tremendous problem for us. We are in the

process of painting the present skyway. Not only is it a tremendous expense, but there is the nuisance, pollution, dust, sandblasting and paint spray; all these environmental problems.

The Garden City Skyway is scheduled to be repainted; we went over that the other day. It will cost several million dollars, but it has to be done. We will divide it up into three or four contracts and probably let one a year.

Mr. Kerrio: It is a major factor, is it not?

Hon. Mr. Snow: With the concrete bridge, there is no painting. With this new type of steel, again there would be no painting, so they are equal that way.

Mr. Cunningham: The last question I had related to the environment. Have you cleared all your environmental requirements?

Hon. Mr. Snow: I hope so.

Mr. Cunningham: Because I was talking to your probation officer and he is very concerned about you being out late at night.

Hon. Mr. Snow: Are you going to come and see me if I get in trouble?

Mr. Cunningham: I am going to bring you a Christmas toddy.

Hon. Mr. Snow: Everything has been cleared. We are ready to go, environmentally, on the whole thing now, so there is no problem there.

Mr. Cunningham: This may be an unfair question and not the usual kinds of questions I ask in estimates, but what was the total amount of time we spent—I am searching for the right verb, I was going to say horsing around—negotiating the environmental process on this particular project?

Hon. Mr. Snow: We got the approval from the Ministry of the Environment. First I must say that our process of environmental approvals is working much better now. This one, and one or two others we had problems and frustrations with, were really the first ones we were submitting in this whole new atmosphere.

I guess it is something like going back to when the new Expropriations Act was passed in 1968, or whenever it was. That caused great problems because you had to go through a completely different procedure to expropriate. Then we got used to that and built the planning time in. We now start far enough ahead.

We have got the approval now for all the rest of Highway 404; it has been through and approved. We have the approvals on the part of Highway 403 down by Brantford and we are expecting the others shortly.

This was one of the first. The ministries that have to comment on this are getting more used to it. The process that Environment is going through is, I think, more streamlined.

We got the phase 1 approval a considerable time ago. That allowed us to get ahead with the design and get these first contracts under way. Then this past August or September, whenever it was, we got the approvals on phases 2 and 3 on the bridge. As soon as we got that approval, we were able to get the final land purchases and the design completed, and so on.

We are not really too far off schedule. We probably could have had the ground level work going six months sooner if we had had the environmental approval.

Mr. Cunningham: How long did it take from start to finish?

Hon. Mr. Snow: A couple of years from start to finish.

Mr. Gilbert: We did a lot of things as part of our normal process. That went back even before the Environmental Assessment Act. That was built into our own procedures. Leading up to the actual material that was submitted, that—

Hon. Mr. Snow: Once we resubmitted our assessment phases 2 and 3 it did not take that long. If there had been a request for a hearing, that would have added a considerable amount of time to it. That is something we have no control over. The only job on which we have submitted environmental assessments where there was a request for a hearing was the Highway 89 project south of Lake Simcoe. It is still not finished.

11:40 a.m.

We have submitted the assessments for the other jobs, Highways 403 and 404. We have seen the comments. There have been some adjustments made to meet concerns, but there has not been a request by the public or by a municipality to have a full-fledged public environmental hearing. I am sure we will run into one of those some place down the line.

In general, here we were able to satisfy everybody's concerns that this was environmentally under control and they did not request the hearing. There is going to be a mammoth amount of activity in that whole Burlington Beach corridor for the next three to four years.

Mr. Cunningham: Mr. Kerrio and I look forward to cutting the ribbon.

Mr. Chairman: With that, I think we will move on to Mr. Samis.

Mr. Samis: That is part of the minority government, is it?

I have a series of geographic issues I would like to raise under highways, as opposed to just the skyway issue. I did mention at the outset that I would raise a question on the condition of Highway 69. It is the major connection between northern Ontario and the south. The minister made some brief comments in his reply.

I realize the question of costs is a legitimate one in terms of four-laning it all the way. I gather from talking to people who use it—and my colleague on the left is one—that the ministry's approach is to spend money—and I think the figure is \$7 million, if I am not mistaken—to pave the shoulders.

I would ask what is being done on the question of passing lanes, as opposed to paving the shoulders. How much money has been spent? In the construction project booklet you have five passing lanes scheduled for this year in northern Ontario and three last year. How many of those are on Highway 69?

Hon. Mr. Snow: There are four on Highway 69 between French River and the Sudbury city limit. There are a number there now, mind you.

Mr. Samis: How many? Do you have a figure on that?

Hon. Mr. Snow: There are now six passing lanes in that section and we are planning four more with this next construction contract. We have a passing lane study going on now for the highway from French River down to metropolitan Parry Sound. That will identify what passing lanes will be included in that section as it is resurfaced.

Mr. Samis: Of the ones you have now—I think you said six in existence and four have to be constructed—what is the average length of those passing lanes?

Hon. Mr. Snow: Let me see. They are 1.5, 1.5, 1.5, 2.6, 0.6 and 1.6 miles long. Those are the existing ones. The ones that are being planned are 1.3, 1.4, 1.3 and 1.6 miles long. Those are the lengths of the four that are being proposed; roughly a mile and a half or a mile and a third.

Mr. Samis: Can I ask you, being an easterner, not a northerner, how much mileage is there for the paved shoulder program?

Hon. Mr. Snow: We paved the shoulders from Waubaushene to Parry Sound. Can you give me the cost?

I know the first contract we let there was about \$3 million and that did quite a chunk of it from Waubaushene north. Then there was

another contract or two to take it all the way to Parry Sound.

You mentioned a figure of \$7 million, I just think that is— You have to remember that includes resurfacing the highway and everything else. Those contracts were not just for the paved shoulders.

Mr. Laughren: Can I ask a supplementary on that? There were some very good, effective signs which made a big difference on that highway. I drive that way every week. The big sign that said, "Pull over and allow others to pass," was a very large and effective sign. I noticed an immediate difference, but this week I came down and they were covered. Is something being changed?

Mr. Chairman: I presume it is for the winter.

Hon. Mr. Snow: I do not know the exact answer to that unless we do not use them during the winter season.

Mr. Gilbert: I don't know; did you come down at night?

Mr. Laughren: It is covered over with that heavy plastic.

Mr. Chairman: If I might interrupt, they have all been covered up for about two or three weeks now. I just assumed it was for snow removal, because I went up about four weeks ago when there was a lot of snow and slush and the shoulders were very slippery.

Hon. Mr. Snow: If I had to come up with an interesting answer, it would be that during the winter, it is not advisable, from a liability standpoint, to be advising people to drive over on that shoulder because there is very little shoulder beyond the paved shoulder. It is not a good idea to encourage people to drive on that during slippery conditions. I would think we probably cover those signs during the winter months.

Mr. Laughren: Particularly since maintenance is not all it could be in that area.

Hon. Mr. Snow: That was \$6.3 million on those three contracts. That amount of money is not only for the paved shoulders. I was up there when they were doing some of those contracts and they resurfaced the whole highway and made a lot of other improvements.

Mr. Samis: Can I ask you about the problem of maintenance, especially in the winter? From talking to some people, I gather there seems to be a problem there.

First, to what extent have you cut back on your crews up there in the last three years?

Hon. Mr. Snow: I would have to get you detailed information on that crew. Basically, province-wide, we have cut back from having three snowplough crews on three eight-hour shifts, 24 hours a day, to two shifts. They are only manning two shifts on the patrols.

It has been that way for several years now because they are normally able to maintain the roads in two shifts. When we have a storm, they work overtime; they work two 12-hour shifts. The equipment is kept going if it is needed.

Mr. Gilbert: But the standard of maintenance on that highway would not have changed.

Hon. Mr. Snow: There should be no difference in the level of maintenance.

Mr. Samis: I think my northern colleagues have some specifics they want to raise on that.

Mr. Laughren: You closed a yard—

Hon. Mr. Snow: Well, we have closed a lot of yards.

Mr. Laughren: But it affected that—

Hon. Mr. Snow: No, it does not affect it one iota.

Mr. Laughren: That is your opinion. It is not the opinion of the Ontario Provincial Police in that area.

Mr. Wildman: That is just what I wanted to say. In the last two winters, on Highway 17, the OPP have closed the road far more than they ever have before.

Mr. Gilbert: Okay, that is a different matter. They close it usually for poor visibility, Mr. Wildman, and that is when—

Mr. Wildman: No, they are closing it because it is slippery in sections as well.

Mr. Gilbert: Most of the time they close it for poor visibility. I am not saying always, but most of the time it is closed for visibility. As you know, we changed the act two or three years ago to allow that—

Hon. Mr. Snow: We have not gone out and just closed a lot of patrol yards. We have amalgamated some patrol yards. We have upgraded a lot of them; built new sand domes and new, larger garages.

Mr. Laughren: No, I am talking about the one on Highway 69 near Parry Sound. You closed that yard and it affected the maintenance of that road.

Hon. Mr. Snow: We now have newer, more modern, larger equipment and the patrols will have a few more miles of highway to do. We have not cut down on staffing. The number of

staff who were at three patrol yards are probably now at two patrol yards. We usually phased out the one that had the most inadequate buildings and so on.

11:50 a.m.

Mr. Laughren: I wish you could talk to the Ontario Provincial Police there. They don't like to be public about it because of the sensitivity of their job, but they are not happy with the closing of that yard near Parry Sound.

Mr. Chairman: The yard you're speaking about is 15 or 20 miles north of Parry Sound.

Mr. Laughren: Yes, but it means the yard that is just south of Parry Sound has to go all the way up there.

Mr. Chairman: That's correct.

Hon. Mr. Snow: We're getting this in southern Ontario just as much or more so.

Mr. Laughren: Yes, but you would admit there are more severe problems with northern Ontario's roads.

Hon. Mr. Snow: That's right.

Mr. Laughren: It's not just my opinion, you know. I've talked to the OPP in that area and they're not very happy with what you've done.

Mr. Gilbert: It goes without saying that with overall funding as it is and what have you, you have to constantly keep reviewing. We are trying to maintain the standard we set. I still think we have a very good standard. To be honest with you, we do not get a lot of complaints about our weather maintenance.

Mr. Laughren: I understand the problem, and I don't willy-nilly write letters every time there is a storm. There was a case a year or so ago—I know the chairman knows about it—that really bothered me. There was quite a time lapse between the time the storm started and the time the road was cleared.

In people's minds—and don't just take my word for it—the closing of the yard north of Parry Sound was the cause of the problems during storms. It may not have affected normal maintenance, but when there was a blizzard, and that's when you need it fast, it was having a bad effect.

Hon. Mr. Snow: Under storm conditions, it wouldn't matter how many patrol cars or how much equipment you had out there, you would not have a clear road.

Mr. Laughren: Not true; the distance the yard has to cover is important. Don't deny that.

Hon. Mr. Snow: We still have the same amount of equipment and manpower available.

Mr. Laughren: I understand that.

Hon. Mr. Snow: It's just located in more central locations.

Mr. Laughren: It's not more central. They have to go that extra 20 miles. Isn't it about 20 miles, Mr. Chairman?

Mr. Chairman: Yes.

Mr. Laughren: They have to cover another 20 miles more one way, and then back again. That makes a difference. The point I'm making is that I'm not the only unhappy person in the north.

Hon. Mr. Snow: We are very concerned about the whole maintenance operation. Even with restrained money, we have tried to maintain our level of maintenance and safety on the highways, and I think we have.

We have not let our highways deteriorate the way they have in the United States. There are terrible conditions down there. There are highways with so many potholes in them you can't even drive them.

In setting our priorities, we have tried to maintain our existing plant and level of service. In many areas of maintenance, we don't mow the grass as often as we used to. We don't paint the guard-rail posts any more.

Mr. Wildman: You don't paint the lines any more.

Hon. Mr. Snow: Painting the lines is something we're trying not to cut back on. From a safety standpoint, that is one of our highest priorities. There are a lot of things we just can't do. If you look at the amount of money we have spent on maintenance every year, you will see it has gone up substantially.

Mr. Samis: Without going into details, may I ask you where your passing lanes tend to be centred in southern Ontario? I notice you've only got 43, compared to 143 through the north. Considering the circumstances, that may be reasonable. I would just like to get some indication of where you tend to be concentrating the 43 you have.

Hon. Mr. Snow: They're concentrated on where they're needed.

Mr. Samis: Obviously, but on what highways? Could you make it a little more specific? You're not going into politics, are you?

Hon. Mr. Snow: We started the passing-lane program in northern Ontario at a time when there was a tremendous amount of concern in having a four-lane divided highway from Sudbury

to the Manitoba border. That is economically impossible.

Mr. Samis: If they sold Suncor, they could build that, couldn't they?

Hon. Mr. Snow: You could build about 10 miles of it, yes.

Mr. Samis: Half a billion?

Mr. Wildman: There is a lot of rock to move.

Hon. Mr. Snow: You may not know, you're not that familiar with the north, but some of your colleagues are—

Mr. Samis: They keep me informed.

Hon. Mr. Snow: —we have built a substantial amount of four-lane, divided highway out of Sudbury and in the Sault Ste. Marie area. There is one piece I would love to get finished in Sault Ste. Marie if I can ever come to terms with Ronnie Boissoneau.

Mr. Wildman: He's not there any more.

Hon. Mr. Snow: Isn't he? We've got a new chief now? We keep trying and trying. That was an issue seven years and two months ago. One of the first meetings I had when I became minister was with Ron Boissoneau and seven years later we still haven't got agreement. We're getting a lot closer, but we still haven't got agreement on that land through the reserve.

We have built the divided highways in those areas and in Thunder Bay, close to the municipalities. We started building all these passing lanes. Speaking to the people from northern Ontario now that we've got a lot of those passing lanes built, they're saying, "That's all we need." That has been so successful that I'm not getting screams from northern Ontario for a four-lane highway any more.

Then we started on Highway 11, north of North Bay, and we built a lot of passing lanes. I don't know how many, but we've built quite a number of passing lanes between North Bay and Temiskaming where there are curves and hills, through the heavy terrain, and coming south on Highway 69 and so on. We built one or two up on Highway 10 south of Owen Sound as we rebuilt that road. We built some on Highway 7.

On the present program, we have them on Highway 7169—that's one of those new numbers in district 2—at the Thames River in Chatham or London; Highway 17—two on Highway 17 in the Mattawa area; one on Highway 30 in the village of Hilton; Highway 27 on the north-bound lane at Kleinburg; going up the escarpment on Highway 25 north of Milton there is a truck climbing lane and passing lane that hasn't

been built yet, but it's on the program that's going to be tendered later this fall; and Highway 20, which is in the Niagara Peninsula, I presume.

Mr. Gilbert: We have criteria. When we are reconstructing or resurfacing or whatever is necessary on our highways in southern Ontario, we apply those criteria and build passing lanes.

That's what the minister was saying. A highway like Highway 10—

Mr. Samis: I'm not sure I have my numbers right. Peterborough to Ottawa is Highway 7?

Hon. Mr. Snow: Highway 7, yes.

Mr. Samis: Do you have any on Highway 7?

Hon. Mr. Snow: We don't seem to have any on Highway 7 this year. We only do them when we're repaving the highway.

Mr. Samis: You've done a lot of repaving there over the last decade.

Hon. Mr. Snow: We didn't start building passing lanes in southern Ontario until the past two or three years. We have passing lanes on Highway 115 between Newcastle and Peterborough. There is quite a number of them.

Mr. Samis: How come this chart on page xxxii says you have eight built in 1972?

Mr. Gilbert: In 1972?

Mr. Samis: Yes; 1973, none; 1974, four; 1975, none; 1976, one; 1977, 17.

Mr. Gilbert: But that was in northern Ontario.

Mr. Samis: No, it says southern Ontario.

Hon. Mr. Snow: We built some on Highway 115. There are half a dozen more, at least, on Highway 115 that have been there for a number of years.

Mr. Gilbert: What I'm getting at is that for the past couple of years we have been automatically applying it to any highway that has come up for resurfacing or reconstruction. Highway 115 is a particular problem.

Hon. Mr. Snow: It was a particular trouble spot, so we went in there and did some ahead of time.

Mr. Samis: Whereabouts is that?

Hon. Mr. Snow: Highway 115 between Newcastle and Peterborough.

Mr. Samis: Oh, yes.

Hon. Mr. Snow: Going up to Gasoline Alley there. That's the one we're four-laning and we're putting medians all the way up the middle now. This current year we have five in northern Ontario on Highway 17 and one on Highway 69.

Mr. Samis: But in terms of east-west, am I right in that there is none on Highway 2 and none on Highway 7 east of Peterborough as of now?

Mr. Gilbert: I don't think so.

Hon. Mr. Snow: On Highway 2? I would doubt it.

Mr. Samis: I realize there is a particular problem with that.

12 noon

Hon. Mr. Snow: Highway 2 is a local road, basically. I doubt if we'll ever put any passing lanes on that. But perhaps we will on Highway 7, between Peterborough and Ottawa, for instance, as we're redoing that highway.

It all depends on the terrain. If you have a nice straight piece of highway, you don't need the passing lanes.

Mr. Samis: I must say you have improved Highway 7.

Hon. Mr. Snow: If you have a lot of grades and lot of truck climbing and things of that type, that makes it a higher priority.

Mr. Samis: I think you've done a lot to improve Highway 7. It used to be a terrible highway, but you have straightened it out considerably.

May I ask you what you're going to do about the Queensway in Ottawa, not on a short-term basis, not in the context of rehabilitation but in the long term, what are your plans?

Hon. Mr. Snow: We have a lot under consideration; we're doing studies on how to expand the capacity of the Queensway. We're doing some upgrading of and modifications to intersections and cloverleaves. We've been doing a lot of noise barrier work on the Queensway.

Mr. Samis: But in terms of the traffic flow, you're virtually stuck, aren't you?

Hon. Mr. Snow: There's only so much we can do there. We're looking at possibilities like taking out the median, putting in a Jersey barrier and getting extra width. We're putting a traffic monitoring system in there, too, are we not?

Mr. Gilbert: Yes.

Hon. Mr. Snow: A freeway management system, with TV cameras and computers, allows us to get a considerable increase in capacity by doing away with the road blocks.

Mr. Gilbert: There are improvements in the

interchanges, as the minister said, ramp improvements.

Mr. Samis: Yes, I noticed that.

Mr. Gilbert: You are restricted, as you know. Island Park Drive and all through there is very restricted.

Mr. Samis: Is there a possibility of making that six lanes, or is it physically impossible?

Mr. Gilbert: There are places where it is very difficult, but you could widen the majority of it.

Hon. Mr. Snow: It's a very narrow right of way through there.

Mr. Samis: Yes, I realize that. That's why I asked.

I think my colleague the member for Leeds (Mr. Runciman) brought up Highway 16 last year. Are there any changes in its status at the lower end?

Hon. Mr. Snow: Not at the lower end. The lower end has been rebuilt. There is a contract under way right now on the new Highway 16 and there is another one to be called in 1983. That will complete Highway 16.

We're buying the four-lane right of way and everything for it. We're building two lanes of a future four-lane freeway.

The two contracts that are out will complete that up to county road 8 and Highway 16 just south of Ottawa. From there into Ottawa is still very much up in the air.

We have completed a massive study, working with the municipalities and the region. The technical people have made a proposal to the local people down there as to what we feel is the best and perhaps the only reasonable option if they want Highway 416 to connect with Ottawa directly and to the Queensway.

There is a lot of local resentment over that and the regional council have not taken a position to approve that proposal or not approve it. Basically what I told the regional chairman and the people down there was that we would proceed with the new Highway 16, from where it terminated for a few years, up to basically the outskirts of Ottawa. We would do the study, and when a decision was made on the balance of it, we would put that into our program and would do that.

The intention was that we would start from Ottawa, from the Queensway, four-laning and working back towards Highway 401. Eventually, as traffic warrants and as money is available, we would have a four-lane, 401 or 417 type highway, whatever you want to call it, connecting right down to Highway 401.

The traffic is not there to warrant that right now. The thought was that if they settled this at the Ottawa end, then we will start four-laning there and work backwards. That's where the heaviest traffic is. Eventually the plan is to have a four-lane expressway right down to Highway 401 at Prescott.

Mr. Samis: If I may bring you further south, you mention Highway 401. Why is it we have no noncommercial rest areas on Highway 401?

I noticed, when we drove through the Maritimes and Quebec, that the TransCanada Highway is loaded with them. Why do we have none? Why is it totally in the hands of the restaurants? You have picnic areas, but nothing beyond that, and they are fairly far apart as well.

Hon. Mr. Snow: We have the service centres. You refer to noncommercial areas; we own the land, it's leased—

Mr. Samis: Yes, but my point is they are, what, about 40 miles apart on average on Highway 401?

Hon. Mr. Snow: Yes.

Mr. Samis: Why nothing else beyond that?

Hon. Mr. Snow: What more would you need?

Mr. Samis: As I said, driving through Quebec, they have a surprising number of rest areas.

Hon. Mr. Snow: To tell you the truth, what you are telling me about Quebec doesn't impress me.

Mr. Samis: It does impress me. For long-distance driving with families it's necessary.

Hon. Mr. Snow: With all due respect, if you are long-distance driving on Highway 401 with a rest area every 40 miles—my God, if you can't go 40 miles without a rest, you're in pretty bad shape.

Mr. Wildman: This was raised, I believe, in the estimates last year, and it's been raised before. The facilities in Quebec and New Brunswick in terms of picnic areas and rest areas for families is quite impressive. So much so that in my own area the minister received a request from the Algoma District Municipal Association to find out what plans there were for rest areas along Highway 17, the TransCanada Highway.

At that time the minister responded that there was an interministerial committee studying the matter, involving the Ministry of Tourism and Recreation and the Ministry of Natural Resources—other ministries at least—and that you expected a report.

I just received a resolution from the latest

annual meeting of the Algoma District Municipal Association which says: "This is a year later now and we still haven't heard. Can you tell us what's happening with your interministerial committee and the report?"

So, could you tell us, what is happening?

Hon. Mr. Snow: We have been carrying out this study on the need for rest areas with the other ministries. It's not completed as yet.

Mr. Gilbert: Yes, it is.

Hon. Mr. Snow: Is it completed?

Mr. Gilbert: Yes, it's completed. In fact, Mr. Allen, of our ministry, chaired that committee. The way it stands right now is the Ministry of Natural Resources are taking an inventory of the needs in order for each ministry, as part of their programs—and as you know, some of them would be things Natural Resources would be doing; some of it would be what we'd be doing; and the larger ones would be what Tourism and Recreation would be putting in.

What Mr. Allen and his committee came up with are four different classes of rest areas to fill in all along the highway. It was only a short while ago when I was talking to the Deputy Minister of Natural Resources and asked him how he was coming along. The first thing that had to be done with this inventory was that each ministry build it into their programs, particularly when they are carrying out construction in these various areas.

The report is now completed and as I say, Mr. Allen made his—

Mr. Wildman: Is that report available to us?

Mr. Gilbert: Actually it wasn't in the form of a book or anything else like that, but I'm sure we could put together the recommendations of that committee.

Mr. Wildman: I'd appreciate that if you would.

Hon. Mr. Snow: There is one thing we can consider. I had a brainwave one day about these truck inspection stations we have along the highway. The older ones aren't very much except a little scale house about 10 feet square—

Mr. Wildman: Sometimes you really do have a picnic there.

Hon. Mr. Snow: —but with the newer ones we're building on highways 401, 402 and on the Queen Elizabeth Way, I had our people look into the possibility of adding larger washrooms to them when they are being built—they have washrooms in them but we might make them a

little bigger—and having them available to the public.

12:10 p.m.

I was soon thoroughly convinced that was not a good idea. It would be mixing big trucks, the tractor trailers that come in there, with cars and families. You would have little kids running around and people letting their dogs run, and to try to mix that kind of traffic with a big truck inspection station was not a good idea.

It seemed like a good idea at the beginning to utilize the off-ramps and on-ramps and have a little area there, but I was soon convinced both from a safety and operational standpoint that it wouldn't work.

I am advised that we are adding two rest stations on Highway 401, one east and one west of Highway 16 in eastern Ontario.

Mr. Samis: The western one will be the Eric Cunningham resting spot, and the name on the eastern one is to be determined.

Mr. Laughren: George Samis.

Mr. Samis: It didn't register.

Mr. Laughren: There must be something you can name after Eric, if you really put your mind to it.

Hon. Mr. Snow: A two-hole outhouse would be just perfect.

Mr. Cunningham: The mayor of Flamboro wants half a million dollars from you guys.

Hon. Mr. Snow: I met with the mayor of Flamboro yesterday or the day before and was very surprised the local member didn't come in with the delegation.

Mr. Cunningham: I wasn't invited.

Hon. Mr. Snow: I guess they knew what they were doing.

Mr. Cunningham: A new administration.

I told him the Urban Transportation Development Corp. vote had not yet come up in the estimates and that I would be no help to him at that meeting at all.

Hon. Mr. Snow: We have had a problem. One of the problems with the little picnic areas along the highway has again been the cost of maintenance. When the crunch hit the ministry on our maintenance costs, one of the things we did was to cut out some of those rest areas, especially ones that were not being utilized very much. It does take time and money to empty the garbage barrels, keep the garbage picked up, clean the washrooms or outhouses, and so on and so forth.

I think that perhaps two or three years ago we decided it was not good business to reduce their numbers, and we are trying to maintain them.

Mr. Samis: I think that is the point Mr. Wildman made. It's an asset for tourism in the province—

Hon. Mr. Snow: It is a problem. The picnic benches get stolen or are burned in a bonfire—

Mr. Samis: I mentioned Quebec and New Brunswick; I also recall travelling in New England the previous summer. In Vermont, for example, I was amazed at how many they had on four-lane highways.

I want to move on to another issue. Time is fleeing.

To what extent is your ministry involved in the use of pesticides on highways? I noticed an article in the Star back in April of this year.

Hon. Mr. Snow: Herbicides.

Mr. Samis: Yes. You used 12,846 litres of Tordon, I gather. I was wondering, with all the unemployment, how essential is it that you use these different herbicides versus manpower? It is a controversial—

Hon. Mr. Snow: We don't do a great deal of spraying any more.

Mr. Samis: No, compared to Hydro you are pikers, I agree.

Hon. Mr. Snow: If we don't spray the roadsides with a herbicide every number of years, to keep the brush down, the rights of way soon are overgrown.

If all you are interested in is making work projects, putting people out there cutting down brush and burning it up—then you are in trouble with the Ministry of the Environment because you are making smoke.

We are very careful with all our spraying. We use approved chemicals; they are under the control of licensed operators and approved by the Ministry of the Environment.

Mr. Samis: Is that figure a fairly constant one, or is it declining or increasing—the 2,800 gallons?

Mr. Gilbert: I think it is now fairly constant. We have more or less come up with the areas where we should and should not spray. I would say that over the last few years it has been a fairly constant figure.

Mr. Wildman: Do you put up signs to warn berry pickers?

Hon. Mr. Snow: I know we have had some complaints from bee keepers about spraying the weeds from which the bees make the honey.

Mr. Wildman: This is a major issue with Great Lakes Power and Ontario Hydro in northern Ontario.

Mr. Gilbert: The berry picking?

Mr. Wildman: That's right.

Hon. Mr. Snow: Any kind of maintenance—I know I can't maintain my property at home without some spray on the lawns—

Mr. Cunningham: You have 1,000 acres.

Hon. Mr. Snow: —and the fence bottoms and around the trees.

Mr. Cunningham: It is half of Hornby.

Hon. Mr. Snow: In addition to the big spraying we do, I put my little two-and-a-half-gallon sprayer on my shoulder and wander around the farm every weekend. If I find a Scotch thistle or burdock, I—

Mr. Laughren: Or trespassers?

Hon. Mr. Snow: I use shotguns on those, buckshot.

Mr. Samis: I have just a couple more quickies. First, what was the cost of the Norris Whitney bridge? I gather the project is completed.

Hon. Mr. Snow: I believe it was \$14.6 million.

Mr. Samis: Don't misinterpret me; it is not that I am against it.

Hon. Mr. Snow: That is not the contract amount, but the project amount.

Don't get me wrong when we talk prices. If I say a certain job is a \$15-million one, that is our cost to the ministry. You may see the tender close on that job next week, and it is only \$11 million or something, but that is the actual contract. In addition to that, there is land, supervision, materials that the ministry supplies—

Mr. Samis: There would be special costs on that project. What was the essential rationale for it? Was it the traffic flow?

Hon. Mr. Snow: My God, people in that area have been wanting a high-level bridge across there for many years. The old bridge is a swing bridge to allow the boat traffic through. It is very old, with very high maintenance costs. It breaks down periodically and is closed. You get it open to let a boat go through, and the damn thing will not close. There is this kind of problem.

Mr. Gilbert: This goes back seven or eight years ago. We spent money on the maintenance of the old structure, but it was only to provide a temporary improvement. We knew full well that we would have to go along with the reconstruction of the bridge.

As the minister said, we made a commitment when we did the maintenance work to get on with the construction. I might add, Mr. Minister, the fact that—

Hon. Mr. Snow: We made a commitment about five years ago that we would build the high-level bridge. I told them it would start in the fall of 1980, which it did. We officially started the project the last week of November 1980, and we opened the bridge last Saturday. I think everyone in Belleville and Prince Edward county was at the opening.

Mr. Samis: Including the member for Belleville?

Hon. Mr. Snow: Oh yes, the member for Quinte (Mr. O'Neill) was there.

Mr. Samis: George Hees as well? Did he come in on that?

Hon. Mr. Snow: No, George was not there.

Mr. Samis: Gee, he missed that. He does not miss many down there.

Hon. Mr. Snow: The federal member was there. He was very prominent. I reminded him that there was not a dollar of federal money in the bloody project.

Anyway, it is a nice new bridge and it will serve that area very well. The people in both Frontenac and Prince Edward counties are—

Mr. Samis: Not Frontenac.

Hon. Mr. Snow: No. Prince Edward county and Hastings.

Mr. Wildman: When are you going to open the new section of Highway 638?

Mr. Samis: What is the plan with the old causeway? Are you going to remove it?

Hon. Mr. Snow: Oh yes. We moved the shipping channel. It has been shifted to underneath the high point of the new bridge. The old bridge is going to be removed. It is probably gone now. They were just waiting to get the traffic on the new one and then they were going to rip out the old one. Then they have to remove part of the causeway and finish dredging the new channel under the bridge.

The pavement is going to be taken off the majority of the causeway and it will be sodded. It is going to stay there as part of the park. There is a park at each end. People will be able to walk out on the causeway, and it makes a breakwater for the Belleville harbour area. The young people fish off it and so on. Some of it will be removed, but most of it will stay in.

Mr. Samis: I have one very general final question. Presumably you are exposed to all

sorts of new ideas on road design and road safety and incorporating them on our highways. What new ideas are you currently considering, especially related to safety on the roads?

12:20 p.m.

Hon. Mr. Snow: We are continually trying to make the highways safer. We went to the concrete median barrier a few years ago. They are upgrading intersections. With these things happening, there has been a decrease in the number of deaths.

They are putting in a median barrier, for instance, on Highway 11, in my colleague's riding. It is not finished yet. Putting the median barrier down there will cut down tremendously on deaths on that section of highway between Barrie and Gravenhurst, with overpasses stopping left-turn accidents and preventing cars from going into the wrong lane.

We are doing the same thing on Highways 35 and 115 from Newcastle up to Enterprise Hill, south of Lindsay. There is a new type of median barrier with which we are experimenting. We have agreed to purchase a chunk of it. It is a brand new idea that has been developed by a Canadian company, and we are going to use that on the Queen Elizabeth Way, down at the Burlington skyway.

Mr. Samis: What is new about it?

Hon. Mr. Snow: The best thing I could do to explain it would be to send you a brochure on it. It is a metal barrier filled with sand that just sits on the median. It has a certain amount of give to it. There is a film available if you want to see it. There is a great deal of testing being done by vehicles hitting it at different speeds and at different angles. The company that has developed it claims it is superior to our concrete barrier. Unfortunately it is a hell of a lot more expensive too.

A company in Canada has developed this and patented it. I understand they have just sold a big chunk of it to Miami. They think they are also going to sell it to the New Jersey turnpike; they are going to buy hundreds of miles of it if they get the funding for it. They sold some in England as well.

Since it is a new product developed in Canada, and because the tests we have seen so far are impressive, we have agreed to use five miles of it on our Ontario highways. Most of that is going to be down on that Burlington route, from the skyway north to the Freeman interchange.

Mr. Gilbert: I think one of the most effective programs we have had over the last couple of

years is to identify the number of black spots, which are accident-prone areas. The minister has mentioned some of those intersections where improvements could be carried out at a relatively economical cost, if you want to put it that way, without rebuilding the whole area.

That program has been very effective over the years as far as safety goes. It has been in place over the last four or five years.

From a ministry point of view, we are constantly aware of what is happening in traffic zoning, zone painting and things like that.

Hon. Mr. Snow: There are new types of zone painting, such as with plastic paint. The new type of asphalt surface we are using on the freeways is proving to be a tremendous asset. It greatly cuts down the noise and it is also non-slip and provides drainage. It has a porous surface and when there is heavy rain you do not get the slick, aquaplaning effect.

We are doing a great deal of recycling of asphalt paving. I know a fellow in the United States who is involved in recycling in the New York City area and he says Ontario is known all over the United States as being more advanced in recycling procedures than any place else.

Mr. Chairman: Thank you, Mr. Minister. We have a few minutes left and I still have Mr. Wildman and Mr. Laughren to ask some questions.

Hon. Mr. Snow: We have some information you wanted on the public opinion polls.

Interjection: You got part of it.

Mr. Wildman: I shall not take very long.

In regard to the question my colleague raised about safety, I would like to ask a question about how you apply your specifications with regard to entrances to controlled-access highways in northern Ontario when you are dealing with a highway that does not have a service road. You have to allow for entrances along the road, or there is just never going to be any acceptable development in some of the small municipalities.

Are you more flexible in northern Ontario than you are in southern Ontario when it comes to the numbers, that is, the degree of a curve or the distance from a curve before allowing—

Hon. Mr. Snow: This is a very difficult area. I think the two damned problems I get on my desk more often than anything else are entrances and signs.

A few years ago, in conjunction with the Ministry of Municipal Affairs and Housing, we classified all our highways into five classifications. I am sure you have that document and

map. There are different criteria for entrances on all of those. For instance, on secondary highways there is very little control over entrances, and then there is the controlled-access part of Highway 17 in your riding, where we do not allow any access.

There is no use us trying to have an adequate highway system if you are going to turn it into a local street by having driveways every 100 feet down the road. The first thing you know, you have lost your highway and you have to build a bypass. So if there is going to be development, we try to work on joint accesses with the municipalities.

If a person is going to develop, we plan with them. We put in a proper street access and then let them develop around that street or build their own service road or whatever.

Mr. Wildman: I am not talking about residential development or residential entrances in this particular case.

Hon. Mr. Snow: Even commercial development in some areas; I know I have a problem area on Highway 60 out of Huntsville where they want to develop. It has been worked out with the municipality there to allow one entrance for each four lots. It has big piles of rock too and you cannot just build a service road.

It is a nice area of land that can be developed for highway, commercial-type businesses. So rather than give four entrances all the way along there, we have agreed to give one entrance and then the developer will put in a short service road himself to service his four lots, so we cut down from four entrances to one entrance and still allow the area to develop.

Mr. Gilbert: We have been trying to work with the Ministry of Municipal Affairs and Housing in putting in that type of arrangement north of Sault Ste. Marie. It would be on the basis that in the future it would become one common service road all along, if it builds up to that point.

Mr. Wildman: I notice that in Blind River you are very flexible in giving Eldorado Nuclear an entrance to Highway 17 in an area not too far from a curve, with a hill on the other side and an intersection at the top of a hill.

Mr. Gilbert: Is it in the area where we have a long-range planning study on bypassing that?

Mr. Wildman: Yes, eventually that will be bypassed in the 1990s or something.

Mr. Gilbert: That becomes a very important part of that.

Hon. Mr. Snow: That is an important consider-

ation. If it is on an area where we already have a bypass arranged for and planned, we take a little different viewpoint there.

Mr. Wildman: You put in a turning lane there. Was that at the expense of Eldorado?

Hon. Mr. Snow: It normally would be. I cannot tell you for sure, but we could find out. If any industry or someone developing a new shopping centre wants special entrances, turning lanes or traffic signals, we do it, but it is at their cost.

Mr. Laughren: I make two brief points because I do not have time. First, I would like to ask the minister whether he considered taking back priorities for highways in the north from the Ministry of Northern Affairs. Leo Bernier is screwing it up, to put it as politely as I can. The best example I can think of is his decision to put on hold yet again the Sudbury northwest bypass between Highway 17 and Highway 144.

12:30 p.m.

Now, this minister was embarrassed the last time when Leo Bernier interfered and put it on hold, and here we have the same thing happening again. I want to tell you that those of us in the north are getting a little tired of the Ministry of Northern Affairs putting things on hold and postponing what this ministry, I think, had in good faith put in place in terms of priorities and timing and so forth. So we are very unhappy about that.

I have written to the minister—

Hon. Mr. Snow: I have your letter.

Mr. Laughren: Yes, I know, and you responded. Leo Bernier has another letter, and so forth. But it is so ridiculous at a time when money is being poured into Sudbury and make-work projects. Quite frankly, you would have to question the validity of some of them, and the kind of money that is going in there, when something like this, which has long-term benefits to the community and to the travelling public, is put on hold. I ask you—

Hon. Mr. Snow: It is just on hold until January, as I understand it.

Mr. Laughren: He should reassess the priorities in his ministry.

Hon. Mr. Snow: We are ready to go on that. As a matter of fact, we have the environmental assessment. The design is completed for the first contract, and we had intended to call that job in November.

We had a good discussion here the other night on this matter in the opening comments regard-

ing the Ministry of Northern Affairs. I have to say that I think the Ministry of Northern Affairs has been helpful. They have additional money. It is not only the highway money—

Mr. Laughren: I noticed that you said, "You have to say."

Hon. Mr. Snow: He has a regional priority budget, enabling him to do additional highway work in the north that we would not have been able to do. This is one example, I understand that, but generally we meet—the staff meet from time to time—but we meet once a year, which we are doing, I think, this week or next.

Mr. Laughren: Once a year? Let the record show that the legion of civil servants in the room from the Ministry of Transportation and Communications are all smiling about your comments about Northern Affairs.

Hon. Mr. Snow: Let me finish. We have established a program in the fall of each year for the next construction year.

Mr. Wildman: Why is the deputy minister hiding his mouth?

Hon. Mr. Snow: All the senior people at Northern Affairs are Ministry of Transportation and Communications people. They are well-trained and they know what they are doing.

Mr. Laughren: Under Leo's influence, though, they suddenly lose their judgement.

Hon. Mr. Snow: We work very well with them and, generally speaking, once we establish the road program for the following year, we go ahead and build it without any interference whatsoever.

Now, this is one case where they are naturally in control of the budget. If the jobs come in over budget they have to cut back, as we would, in the tender dates and what not, to keep the cash flow under control.

In this one particular job, with the economic situation in Sudbury—and I understand there are people in Sudbury who are saying that this matter should be looked at. That may not be the highest priority in Sudbury any more, with the cutdown in the mining industry and in travel to the mines, and the fact that there may not be as many people working at those mines in the future as there ever have been.

Mr. Laughren: That is not the purpose of the bypass. The final point I would like to make—

Hon. Mr. Snow: Leo told us last fall to hold up on that for a month or two until he reassessed the whole situation. I know you and Gaston Demers are very upset about it.

Mr. Laughren: I would be just as happy if you did not link our opposition together.

The final point, and I will be very brief about it, is the whole question of a road—I know it is long term, I know you have fiscal constraints you have to deal with—but a road that would join up Highway 144 and Highway 129, north of Sudbury to south of Chapleau, which would remove all truck traffic from between Sudbury and Wawa on the TransCanada Highway, with all those big hills in Wawa and so forth.

Hon. Mr. Snow: This is a new one to me, I think, but what are we talking about? I know Chapleau. I used to go fishing there all the time.

Mr. Laughren: It would join up Highway 144 north of Sudbury—

Hon. Mr. Snow: Oh, yes, across through Sultan.

Mr. Gilbert: We took over that Sultan road from Natural Resources.

Hon. Mr. Snow: We have taken the road over, in as far as Sultan, and I think we have work planned on that. Again, if it is a decision to make that a provincial highway and a priority across there, the approach has to be Northern Affairs on that. If they decide that it is a priority after the Minaki road is finished, maybe we—

Mr. Hennessy: Mr. Chairman, I would just like to—

Hon. Mr. Snow: Once the decision is made to go with a highway, we handle everything. It is just a case of—

Mr. Hennessy: I think that Mr. Laughren's comment on the minister was really out of place. I think the minister has done more than

his share for northwestern Ontario, and I think that—

Mr. Wildman: Northwestern. That is the problem.

Mr. Hennessy: Northern Ontario also. What I am saying is that, if you look at it overall, it is hard to be critical. You fellows keep squawking all the time, but I have my problems in Thunder Bay. We cannot get money either. You want to have everything going to Sudbury.

You fellows keep yapping and you think you're making a lot of noise, but the idea is that there are other people to think of too. There is northern Ontario to think of, as well as my area. We don't get that much action, either. If you keep yelling, we're not going to get anything.

I am squawking too, but I think that the people at Northern Affairs are trying to work to the best of their ability. There is only so much money available. You fellows don't realize that; you think we have a money machine here.

Interjections.

Mr. Hennessy: I don't agree with your comment, because I think Mr. Bernier has been as fair as possible to you people.

Mr. Laughren: Are you parliamentary assistant to the Minister of Northern Affairs?

Mr. Hennessy: I am, sir, yes, and I am very pleased to be it.

Hon. Mr. Snow: And he does a good job, too.

Mr. Chairman: We are adjourned until Monday, December 13, following orders of the day, around 3:30 p.m. Thank you.

The committee adjourned at 12:37 p.m.

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Legislature of Ontario Debates

Official Report (Hansard)

Standing Committee on Regulations and Other Statutory Instruments

Estimates, Ministry of Transportation and Communications



Second Session, Thirty-Second Parliament

Monday, December 13, 1982

Afternoon Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Monday, December 13, 1982

The committee met at 3:55 p.m. in committee room 1.

ESTIMATES, MINISTRY OF TRANSPORTATION AND COMMUNICATIONS (continued)

On vote 2705, provincial transit program:

Mr. Chairman: It is 3:55 p.m. I see a quorum. We will continue with the Ministry of Transportation and Communications estimates. We are happy to have the Toronto Area Transit Operating Authority here with us this afternoon. Is that correct?

Hon. Mr. Snow: That is right.

Mr. Chairman: We will be talking about vote 2705. I believe that various members have some questions on vote 2704, the provincial highways program vote. Isn't that correct? Would you choose to come back to that on Thursday?

Mr. Samis: Mr. Wildman wanted to put a couple of questions in. I suspect we could do it fairly quickly, if you want to give him a crack.

Mr. Chairman: Other members have mentioned to me that they have some reservations about vote 2704.

Mr. Samis: When are they suggesting it be brought up again?

Mr. Chairman: Thursday morning, when we have our last session.

Mr. Samis: How long are your questions?

Mr. Wildman: Very short. I don't mind if you want to wait until Thursday. That is fine with me.

Mr. Chairman: If we happen to get our two and a half hours in today and this evening, Thursday morning will be the last session we have.

Mr. Cunningham: We have 15 hours.

Mr. Chairman: No, we have seven and a half on it, seven hours and twenty-eight minutes, to be exact.

Mr. Cunningham: Time is just flying. It is hard to imagine when you are having fun.

Mr. Chairman: We have asked the people

from TATO to be here today and the Urban Transportation Development Corp. this evening. It would be rather unfair to—

Mr. Wildman: Thursday morning is okay with me.

Mr. Chairman: We have Mr. Leach and Mr. Parsons with us this afternoon, and we should proceed.

Mr. Cunningham: I have some concerns about the TATO operations. Initially, notwithstanding the direction I got from the chairman in April of this year, I believe, that the direct rail GO service that I characterize as meaningful would be not extended to Hamilton in the immediate future, in the time that transpired the immediate future became the reality and I am delighted that we are going to see, once and for all I hope, significant improvements in service to Hamilton.

I just want to go on record as saying that most certainly I think members of all three parties, the regional council and people within the Hamilton-Wentworth area are delighted that this commitment has been made.

I would like to note some of my concerns about the tendering process and the way this contract will be realized. To put it in context, I do not think we are talking about a highway interchange or a small section of pavement to be repaved. We are talking about millions of dollars here, and more importantly, the construction of a system that will serve the needs of well over half a million people for many years to come.

Since its inception, GO Transit has openly tendered for almost all of its equipment, I am advised, from ticket printing to rolling stock. It has been an opportunity for free enterprise to function, and something this government particularly has prided itself on. During discussion on this vote, I would like to know why the ministry has announced its intention to have the UTDC manufacture the new rolling stock exclusively, without tendering. I would like to know what impact the ministry has calculated this will have on Hawker Siddeley in Thunder Bay and what it will do to that town, given that the

company has built most of the vehicles—I guess all of them—for the UTDC to date.

I would like, through this discussion as well, to determine—

Hon. Mr. Snow: You don't mean for UTDC, I do not think.

4 p.m.

Mr. Cunningham: No, for the government. I would like to know the status of negotiations with Canadian National for the right-of-way acquisition along the lakeshore corridor, both east and west. I would like to know if the consulting contracts regarding the GO Transit extension will be tendered publicly and what the exact involvement of the Urban Transportation Development Corp. subsidiary Metro Canada will be in this most important project.

I would like to know what the ministry's anticipation of this Oakville and Pickering service extension will be, now that it is presently overloaded, and what impact extending the service from Hamilton to Oakville and Oshawa to Pickering will have on the existing service.

I am advised that only last week, while we were going through the estimates here on December 6, Monday evening, at a meeting of the Institute of Transportation Engineers Messrs. David Sutherland and Ian Oliver of the ministry indicated the likelihood of cabinet exempting the project from the preparation of an environmental impact statement. I would like to know if those statements by those gentlemen are consistent with fact and whether or not the ministry agrees with that.

It was also indicated that the UTDC will act as adviser, assigner and supplier to the project. I would like some comment particularly from the ministry on that.

It was also indicated that the consultants will be assigned within the next six months. I would like to know whether these consultants will be from the general public, whether the consultant assignments will be tendered or whether they will be arbitrarily given to the UTDC or one of its many and growing subsidiaries.

Finally, on the subject of the vehicle, I am reliably advised that this proposed vehicle will be identical to the intermediate capacity transit system vehicle being prepared for Scarborough and Vancouver except that it will have rotary motors, it will be longer and wider, and it will have bigger wheel diameters and a severely modified interior passenger layout.

Generally, it is going to be a conventional rapid transit vehicle. The suggestion that we

would ever move from a linear induction system to the rotary-powered system was consistently denied during debates in the House and, I believe, in these estimates, and in visits to Kingston as well. Yet we now find ourselves five, six, seven or eight years after the start of this company, a company whose involvement really was predicated on the possession of this unique technology, in a situation where we have moved from this brand new technology to something that, frankly, everybody else in the business has been doing for some time.

I guess my real question is, from a technical point of view, how do these vehicles, on which we saw the announcement some months ago, differ from a conventional rapid transit vehicle that will be operating in literally every other system in the world? What specific proprietary expertise or technological advancement do we have with this new rotary system for which we have never prepared a system? What is so unique about these systems that no one else in the business has it?

Those are some opening questions that I would like to leave with you, and I would be very grateful for any response in that regard.

Hon. Mr. Snow: That was a great list of questions, Mr. Chairman. I am not sure I got them all written down by any means. One of them that I recall was with regard to the status of negotiations with Canadian National as to the right of way.

At this moment, we have not officially commenced negotiations with CNR on any right of way. I announced the system on October 7. We have brought the maps here to show you in smaller scale what we showed you at that time. Basically, the right of way for the two extensions, Oshawa to Pickering and Oakville to Hamilton, is not on CNR right of way.

I am not saying that we will be not negotiating with CN or Canadian Pacific where we cross their lines or to get through a particularly tight spot, but at the east end, for instance, Pickering to Oshawa, basically we are using Highway 401 right of way.

You may very well know that in that area the CNR and the 401 rights of way are very close together. There is a very narrow strip of land in between, which in most cases is owned by the ministry as part of the Highway 401 right of way, so that will be the majority of the right of way until we get into the city of Oshawa.

That is part of the whole planning process which we will be starting into at the Oshawa end. There are some variations as to a couple of

different routes, whether we follow 401 or swing down and follow the CN route or some other route through the actual city of Oshawa to the station location. Basically that section will be built on a right of way we already own.

When we go to the western end, from Oakville to Hamilton, again most of the construction will be on the hydro right of way. The hydro right of way follows the north side of the CN right of way for most of that area; we are probably beyond the Highway 403 right of way. In a section through Burlington, we may be on railway right of way or on a newly acquired right of way along the north side of the CN right of way.

That will all be part of the detailed examination when we get to working on the detailed design of each of those individual sections.

Mr. Cunningham: What are you doing at the Bayview junction? That is the Hamilton rail —

Hon. Mr. Snow: I am not sure. Bayview junction; does it ring a bell with anyone?

Mr. Leach: Bayview junction is the rail intersection. We will probably swing north of that, although that has not been determined as yet. It is a very confined area with the CN bypass and the CN main line forming. I don't think we will go through the same area.

Mr. Cunningham: So where would you go?

Mr. Leach: Probably north. One of the alternatives is to go north and come around Highway 403, using the 403 right of way. You would cross close to the Queen Elizabeth Way, perhaps north of that, and follow 403 down into Hamilton. That is one possibility.

Hon. Mr. Snow: We are in the preliminary stages.

Mr. Samis: Excuse me. Could I just ask where exactly you intend to end it in the east?

Hon. Mr. Snow: We have not decided that yet. One of the things I said when I made the announcement is that we will be sitting down with the city of Oshawa and the region of Durham to decide exactly where the terminus will be and whether there will be a station on the north side of Highway 401 at that location.

4:10 p.m.

Mr. Samis: I gather you are under pressure already to extend to Bowmanville.

Hon. Mr. Snow: Not really. I haven't heard of it.

Mr. Samis: Have you talked to Mr. Richards?

Hon. Mr. Snow: No, I have not heard from Mr. Richards.

We are thinking of having the terminus on the north side of Highway 401 just past the Holiday Inn. There is a big vacant field there. The major development in Oshawa is north of Highway 401, so the riders from that area would not have to cross 401 to get to a station.

So, one of our thoughts is to have the station in that location, and the right of way could be protected so we could extend along Bloor Street to Bowmanville in the future. There has been no suggestion that it is being extended to Bowmanville, but naturally this system is capable of being extended beyond where we are planning for at present.

Mr. Samis: But at this stage nothing has been decided in that respect?

Hon. Mr. Snow: Not in detail. We are now in the process of setting up the project teams. The project managers within the ministry have been named for the four sections: the easterly section, the west section, the lakeshore and the northern route.

Three consultants have been confirmed to date. Two of them will do the photographic survey work that has to be done before we get too much snow on the ground; that is aerial photography of the east and west sections. Those two consultants were named about three or four weeks ago and that work, I understand, is completed.

Mr. Cunningham: Publicly tendered?

Hon. Mr. Snow: No. We are appointing these consultants on the same basis. I don't recall the names of these particular firms. There are only a certain number of firms that do that type of work, but the consultant assignments are assigned on the same basis the ministry assigns consultants for our other design work.

As a policy approved by Management Board — Mr. Gilbert perhaps can explain it in more detail — we have a large number of private consulting engineering firms that do work for the ministry. For instance, DeLCan did the overall lakeshore study, which was part of the material upon which we made the decision for this master plan.

Mr. Cunningham: They have been your consultants on this for a long time, haven't they?

Mr. Gilbert: They submitted proposals along with a number of other consultants, which is very similar to what we do in this type of assignment along the lakeshore. DeLCan was the successful consultant. It was based on a proposal, not a bid.

Mr. Cunningham: I can recall seeing a film last week that demonstrated it. I think it featured Gordon Carton as minister, so that's how old it was. I think it was a co-operative effort with DeLCan.

Mr. Gilbert: That goes way back.

Hon. Mr. Snow: DeLCan has done a great deal of work for the ministry.

Mr. Cunningham: It was a very interesting film, I might add.

Hon. Mr. Snow: DeLCan and many other consulting firms have done a great deal of work for the ministry for many years. The consulting firms that will be designing and working on different sections of the project will be private consulting firms.

Mr. Cunningham: Will they be publicly tendered?

Hon. Mr. Snow: They will be appointed on the same basis as any consultant is appointed for the ministry.

Mr. Cunningham: Will they be the Urban Transportation Development Corp.?

Hon. Mr. Snow: The UTDC will be a consultant on the control system, not on the engineering of it.

Mr. Cunningham: What about Metro Canada Ltd.?

Hon. Mr. Snow: Metro Canada is a subsidiary of UTDC.

Mr. Cunningham: I am aware of that. I am also aware of the difficulties we have in dealing with them and subsidiaries of the UTDC, but that is another matter. The two could be the same or the two could be separate whenever the purpose serves you.

Hon. Mr. Snow: I think the best way to explain it is that all the civil engineering work will be assigned to private consulting firms on the same basis as other GO Transit work was; for instance, stations and the station work. It is also the same as all our highway design.

We do a certain amount of the highway design within the ministry, with our own civil service staff, but we assign a great deal of the highway design work to outside consultants.

One of your questions was when those consultants will be named. I expect a number of them will be named within the next week.

Mr. Gilbert: They will be bringing it up to grade, but as for putting the system in place, as the minister said—

Hon. Mr. Snow: UTDC will be the consultant for the control system and the actual technology. UTDC, however, will not be awarding contracts for design or for the actual engineering design, the guideway, etc., which will be handled directly by the ministry.

Mr. Cunningham: Who will make the vehicles?

Hon. Mr. Snow: UTDC will make the vehicles.

Mr. Cunningham: As far as I am concerned, that is an admission that they are going beyond the mandate the company was originally structured for. As we have said many times, it was to serve as a catalyst to work with the private sector.

At the time the legislation was introduced in the House, the minister said, in second reading, in debate—I have read it—that they never had any intention of getting into the manufacturing business whatsoever. You have moved away from the linear induction motor, which was the *raison d'être* for the corporation in the first instance, and are now moving to rotary motors, which is something the rest of the world is doing.

I commend you for finally coming into the 20th century, but you are now competing with the private sector in what I would characterize as a very limited transit market. We have been through this argument many times before.

I should like to go into that later with Mr. Foley tonight. The reality is that you have a plant in Thunder Bay that is probably capable, with a little bit of assistance, of responding. You have a facility in Boucherville, Quebec, with Bombardier Inc., that could probably respond to your needs.

As I said to you before in the opening comments, as much as I should like to see Canadians respond, it is somewhat hypocritical to deny the rest of the transit manufacturing industry of the world the chance to respond to our needs, if we expect to provide our products to the world, be it from Bombardier in Boucherville or Hawker Siddeley Canada Inc. in Thunder Bay.

I think that by giving in to this kind of trade situation, we are inviting very serious ramifications for the UTDC if they choose to further their scope in the United States and in the world. I see from your annual report that is what they are doing.

More significantly, we also risk the chance of endangering contractual bids for what I would characterize the more legitimate suppliers, those who have actually manufactured vehicles, those who have actually responded to contracts, and

that is the two companies in the private sector, Hawker Siddeley and Bombardier.

I think we are making a very serious mistake here. I can see how you want to force feed the UTDC, and I can see how you would prefer to favour them, as you did, with the Metro Canada contract in Hamilton, and as we have seen in Scarborough.

I do not personally fault you for it. It is at variance with what I would do, but I bear you no personal malice in that regard. I think, however, that you are making a wrong decision on it.

It has more to do with the justification of this corporation than it does with common sense. If you were to say, "Let's open this up and let others respond; let's invite proposals," I am sure a number of innovative corporations in the world would say, "Somehow we will develop a system that will accommodate the needs of the people in Hamilton and marry that system you currently have in some way or another, at a reasonable dollar outlay."

Mr. Chairman: If I might interrupt, we have about two minutes to vote, so I suggest we adjourn now.

The committee recessed at 4:21 p.m.

4:28 p.m.

Mr. Chairman: Before we proceed, I checked it out with the Clerk's office, and discussed it with Mr. Samis, and I will mention it now for Mr. Cunningham's benefit: While these votes are taking place this afternoon, if both opposition critics are in agreement and one member of each party chooses to stay here, we can proceed and carry on with the time in the estimates. Is that agreeable?

Mr. Cunningham: Agreed.

Mr. Chairman: Are you through with your remarks?

Hon. Mr. Snow: I was just going to reply to Mr. Cunningham's last question.

Mr. Chairman: I don't know if Mr. Cunningham is through yet.

Mr. Cunningham: I would like to hear Mr. Snow's comments.

Hon. Mr. Snow: I know, Mr. Cunningham, that I will never, nor will anyone else, convince you of the worth of the Urban Transportation Development Corp.'s research and development and the system they have developed. What we are talking about here is the total system.

It is not as if we were just buying heavy rail cars for the GO Transit system. We are talking

about a very sophisticated, engineered, automated transit system.

I agree there are other people who can manufacture ordinary rail vehicles, whether they are light rail or heavy rail. There is no one who has the design for or the capability of implementing the automated system we intend to use here, and that is the big benefit of the system.

Now, Urban Transportation Development Corp., in their joint venture with VentureTrans and TIW Industries Ltd., are assembling these cars. They are building the intermediate capacity transit system cars; no decision has been made as to the construction of the cars for the GO Transit interregional system.

I am a little confused with your comments. You said they are identical to the ICTS, but they have a lot of differences. Well, they are larger, double-articulated cars, but it is possible there will be work in those cars for Hawker Siddeley Canada Inc. There will be work for a great many private and public sector companies, just as there is for the ICTS cars.

The manufactured components and the trucks are tendered out. Hawker Siddeley, for instance, had the opportunity to tender on the trucks, and did. These are really items we should be discussing tonight, when Mr. Foley is here. When they called the tenders for the trucks, several companies bid. The successful bidder was Bata Engineering. Now, when it comes to the trucks for these cars, they will also be contracted out.

The wheels will probably be made by the Hawker Siddeley subsidiary in Montreal. I believe it is one of the few wheel manufacturers in Canada. When it comes to all the other different components, they are contracted out in the same way. The braking system may very well be from Wabco Ltd. Wabco bid, but did not get the contract for the ICTS cars. I can't recall offhand who—

Mr. Cunningham: What did you say Bata was doing?

Hon. Mr. Snow: Bata is doing the trucks.

Mr. Cunningham: That is a \$12-million contract?

Hon. Mr. Snow: I can't tell you exactly what that—

Mr. Cunningham: Has Bata done this before?

Hon. Mr. Snow: Bata is a major engineering firm. I won't say it has made trucks before.

Mr. Cunningham: I thought Bata made shoes.

Hon. Mr. Snow: It makes shoes too. It is a

very competent engineering firm and it bid on this against a number of other bidders. So whether it is Dofasco Inc.—Is it Dofasco that makes the trucks for the GO train cars?

Many of these components are contracted out to the private sector and the units are assembled and tested at Kingston at the testing facility. I cannot tell you who will be manufacturing the different components for this system, because the contracts have not been awarded, but they will all be tendered or bid to private sector companies.

Basically, the only thing that is built in Kingston for the ICTS is the actual car body itself, to which all these other components are attached. Mr. Foley will get into more detail on this tonight. I am sure Mr. Foley will be able to tell us what the percentage of in-house building is compared to the amount awarded to the private sector.

It is the same thing whether Hawker Siddeley or Bombardier build the cars. They all contract out a great many of the components.

What I am trying to emphasize here is that we are buying an automated system. Sure, other people could manufacture straightforward cars. Hawker Siddeley does not have a design for a light rail car. It built the streetcars, the light rail cars, for the Toronto Transit Commission, but it worked to a UTDC design.

Mr. Cunningham: That was their problem.

Hon. Mr. Snow: Bombardier had a contract, or some kind of licensing arrangement, with a French firm. It does not have a design for a light rail vehicle either, but it has a licensing arrangement with a French firm so it can manufacture a streetcar using the design and the technology that has been developed in France.

Mr. Cunningham: Why does the system have to be automated?

Hon. Mr. Snow: The economies of automation are what this whole thing is all about.

Mr. Cunningham: On the subject of economy, you could compare the estimated price per kilometre. I don't know the estimated price per kilometre on either one of these extensions, but in 1982 dollars, Canadian dollars—these are actual 1982 costs, no escalations—for the Edmonton system it is \$12.1 million per kilometre; Calgary, \$13.8 million; San Diego, \$4.7 million per kilometre; and Portland, an estimated \$10.3 million.

For your own contract in Vancouver I am using the Greater Vancouver Regional District figure. The Vancouver contract is somewhere

between \$33 million and \$36 million per kilometre. Per kilometre the advantages seem to dissipate pretty quickly when you look at the automated system and the notion of having a conventional system.

Hon. Mr. Snow: We are comparing apples and oranges to a great extent here. To my knowledge, the Edmonton and Calgary systems are completely different. They do not have private right of way and they are not automated systems.

Mr. Cunningham: You have a private right of way. That should lessen your costs. On balance, you have, with the exception of the Oakville to Pickering run—I anticipate you are going to have difficulties in acquisitions—

Hon. Mr. Snow: A lot of that is on hydro right of way too.

Mr. Cunningham: You are going to have your problems there. You have my sympathy in that regard. You have your own right of way on the balance of the line, with the exception of some difficulty at the Bayview junction, and the odd little difficulty here and there.

It is going to be a lot easier for you to do this than for others. I have just mentioned costs that are not just a matter of opinion; I believe they are consistent with facts.

The difference between your system—now, mind you, there is linear induction in the Vancouver contract I mentioned, unless you have made up your mind that you want to go with a rotary-powered system. I hadn't heard, so I can only assume it is linear. But whether it is linear or not, the difference in dollars is phenomenal. My suggestion to you is that if you don't tender this, you will never know.

Hon. Mr. Snow: We will know, because we will know all of the component parts of the system will be tendered.

4:40 p.m.

Mr. Cunningham: That is predicated on the UTDC system, its advanced light rapid transit system. How will we, the stewards of public money, ever know, today in 1982, whether we are getting the best system for the money or value for our money, or from a technical point of view that we are making the right decision? We really don't know that.

If you describe, from a technical point of view or from a specification point of view, a Mercedes-Benz, and nothing else will do in your view, then you preclude discussion on an Oldsmobile Cutlass or a Volkswagen Rabbit or whatever, and

you will never know whether or not you have obtained the best value for the taxpayers' money.

In my mind you are advocating something that has the cost associated with a Mercedes and the value that might be associated with a Lada. That happens to be my personal point of view.

Hon. Mr. Snow: That may very well be your opinion, and we, as the government, have to take responsibility for the decision we are making. We have developed this system and it is considered worldwide to be the best technology available. It has been approved by the Urban Mass Transportation Administration in the United States for applications for federal funding there. It has been chosen by the city of Detroit over and above other proposals, a French proposal and others they looked at. It was chosen by Vancouver, which had looked at other systems. It is our system and we believe in it very much.

Mr. Cunningham: The Vancouver comment, with all respect, is not consistent with fact. The transit authority and the planning department of the Greater Vancouver Regional District were well along the way in dealing with Siemens for a conventional light rail transit system.

Even today, without any influence by myself I want to tell you, I am reliably advised from what I see in the press regularly that that decision was by no means a democratic decision. GVRD had very little input in this whatsoever. For the most part, the mayor and many of the people in that jurisdiction were very upset about that decision to go with our technology as opposed to conventional LRT.

In fact, I have a thing here about the transit authority chairman himself, Bob Bose, who may well have been removed as chairman. The headline in a recent article, December 1, reads, "'I Am Going to Be Kneecapped,' GVRD Chairman Claims." The reason he is going to be kneecapped is he had the temerity to express his opposition as chairman of that committee. Even now, with the pillars going in, the guideways being constructed, the cement being poured, he still expresses very well-developed opposition.

Hon. Mr. Snow: Maybe in the same way you are expressing your opposition here today. The government of British Columbia and the GVRD transit authority decided on this technology, very carefully evaluating it—

Mr. Samis: On a point of order; are we not getting a little far astray? I thought we were here to talk about TATO. I can understand what Mr. Cunningham is getting at. I would suggest it

might be better tonight to engage Mr. Foley in debate about it.

Hon. Mr. Snow: It is technology we are using in GO Transit.

Mr. Samis: I don't think giving details about the chairman of Greater Vancouver—

Mr. Cunningham: I accept Mr. Samis' admonition.

Mr. Samis: Can I come back to a supplementary on a question Mr. Cunningham was asking?

He was throwing out figures from Vancouver, Calgary and Edmonton. What figures do you have for per-mile costs?

Hon. Mr. Snow: Those figures; I do not have them broken down here. I am told it is \$9 million per kilometre for the system from Pickering to Oshawa.

Mr. Cunningham: That would work out to what?

Hon. Mr. Snow: At this moment we are working on the figures in the DeLCan study, which gave us the prices on the four optional routes to go on the Hamilton and Oshawa extension. At that time, the final decision had not been made.

In Oshawa that study did not include the second station in Oshawa. It did not include going beyond Highway 401, as we are considering with the station north of 401. That was not in the DeLCan study; that would be additional, no doubt.

Mr. Cunningham: Getting back to the technology, and that is really the discussion we were involved in. Comparing ALRT to conventional LRT, my sense of things is that on balance, with few technical exceptions, the wheels are the same.

Hon. Mr. Snow: No, they are not.

Mr. Cunningham: What is different?

Hon. Mr. Snow: The wheels on this system have noise reduction qualities and the trucks are steerable.

Mr. Cunningham: Aren't the steerable trucks primarily an advantage in going around curves?

Hon. Mr. Snow: They are an advantage on any line. We are working on a program right now to put steerable trucks under two TTC subway cars, not the old ones, two new subway cars. Where TTC is having problems with track wear, wheel wear, noise, and so on, it is talking about putting steerable trucks under the subway cars.

There is an experimental program going on

right now to develop steerable trucks for subway cars. Mr. Foley can give you more details on that tonight. We are working with the city of Washington transit people on a steerable truck program for its transit system.

London Transport, in London, England, is very interested in steerable trucks. There is a company in France that is negotiating with UTDC for an agreement to be able to manufacture steerable trucks under licence from UTDC for transit vehicles within France.

Mr. Cunningham: Apart from that—

Hon. Mr. Snow: To show you how important the steerable trucks are, the Japanese are very interested in a licensing agreement to manufacture steerable trucks for their systems. There are problems with the amount of wear on the trackage, the noise, the squealing and that sort of thing.

All lines have curves and bends going in and out of stations, and that is where they get the squealing and the excessive track and wheel wear. That is the problem the TTC is having at present. That is why they want to put steerable trucks under a couple of cars and test them.

Mr. Cunningham: I am only familiar with the Burlington station, but I don't hear any appreciable noise whatsoever with the GO train.

Mr. Parsons: You are talking about heavy rail. This is light rail. There is a substantial difference. Have you ridden the subway around Union Station lately?

Hon. Mr. Snow: This line can't be a straight line going in and out of Hamilton and the airport and all the different town centres where it is going to be used.

Mr. Samis: I have been on both the Edmonton and Calgary lines, not that I am pretending to be any kind of expert on the technology. How do those lines compare in terms of steerable trucks? Do they have that feature? Either one?

Hon. Mr. Snow: I don't believe there is any line in the world that has the steerable truck system UTDC has developed.

Mr. Samis: Beyond the automated aspect, what would the passenger notice as the difference in this line?

Hon. Mr. Snow: The quietness and smoothness of the ride, and more so the citizens in the community the system is going to operate through than the passengers.

Mr. Samis: In terms of noise factors.

Hon. Mr. Snow: You have been to the test site in Kingston, we all have. When the train is

running around the track you can stand underneath and barely notice that the train is overhead. You cannot do that with a GO train or a subway train, or any other type of light rail vehicle.

4:50 p.m.

Mr. Samis: I must say I have stood alongside both long before I got into this field, and neither one of them struck me as being particularly loud. The one in Calgary runs downtown at street level. I realize there are all sorts of competing sounds but compared to coming around Union Station on the TTC, it is nowhere comparable, for sound anyway.

I gather I am wanted for the vote.

Mr. Chairman: I understand the vote is taking place in five minutes.

Hon. Mr. Snow: In other words, our agreement is broken.

Mr. Chairman: I do not see where we have any alternative, gentlemen, other than to adjourn until the vote is in.

The committee recessed at 4.50 p.m.

5:03 p.m.

Mr. Chairman: We shall resume.

Hon. Mr. Snow: Does anyone remember where we were?

Mr. Cunningham: George was talking—

Mr. Chairman: Had you finished your remarks, Mr. Samis?

Mr. Samis: Yes, I think, if I recall, I had asked for comparisons of the noise factor.

Hon. Mr. Snow: I don't have the exact, calculated, noise information in technical detail.

Mr. Samis: You had just given the impression that it is a major factor.

Hon. Mr. Snow: I know that one of the major accomplishments in the technological development with the type of wheel they are using and the steerable trucks is that they have a very silent vehicle at the high speeds at which they are travelling. They have to be silent if they are going to be acceptable within communities on elevated rights of way and that type of installation.

Mr. Gilbert: I don't think anyone is trying to run down the streetcar by any means. Heaven help us, you know we have developed them here. We have developed an excellent articulated streetcar as well, but really, we are comparing apples and oranges.

There is a place for streetcars. But going back to when we started on the intermediate capacity system, what we are talking about is that

in-between system—high speed, quiet, that could go through communities, and what have you—that was the objective that we set out to develop a system for, and this meets the criteria.

I have said before that we have developed a good streetcar. We have also developed a good articulated streetcar that is being tested right here in Metropolitan Toronto and is very well accepted by the Toronto Transit Commission.

Mr. Cunningham: We are talking about comparing costs. I think our chairman made reference to the cost on the Oshawa-Pickering line; something like \$9 million per kilometre. We see that Scarborough has gone from an estimated \$96 million for the advanced light rapid transit system.

Hon. Mr. Snow: I never heard that figure, but it may have been a figure at one time.

Mr. Cunningham: I think it was. I think the TTC staff reports would bear that out. At the very minimum; a conservative figure of \$103 million that is reasonably well documented. I do not think I brought my file on that.

As of the most current TTC report, which I do not have in front of me, I understand the current cost is \$178 million. To be fair, some of those increases are due to the addition of air conditioning and some contractual design changes that have gone in, but that is a tremendous increase.

When you take that \$178 million, and divide it by seven—it is a 6.6-kilometre system—it comes out to \$25.5 million per kilometre, and it is only semi-automated, to be fair. That is a lot of money.

Hon. Mr. Snow: An automated system with a manual override, I believe, is the way you would explain it.

Mr. Cunningham: Which makes as much sense as me driving a vehicle with four-wheel drive back and forth from Waterdown. In reality, it is a very expensive proposition.

My question to you is how can I take that figure and compare it to your proposal for Pickering to Oshawa? The same company is manufacturing it; the same company will receive an increase from \$103 million to \$178 million in the course of the year.

Hon. Mr. Snow: You must realize that in the Scarborough system you have to take a number of things into consideration.

When they have an estimate of \$103 million or \$104 million for the ALRT line, basically a line using streetcars, that line running at grade

was going to have level crossings at their major streets. Traffic would have to stop; it was not grade separated or anything like that. The system they went to, the intermediate capacity transit system, was fully grade separated.

So you have to consider that the original system would eventually not have been satisfactory, in many people's minds, and this is one of the main reasons Scarborough asked for the change. They were not satisfied with a system that was going to interrupt traffic at level crossings. Every time a streetcar came along, lights would come on and all other traffic would stop.

So what we are comparing is a fully grade-separated system from one that was not grade separated. Also, that figure of \$105 million or \$103 million we were talking about, whichever, was I believe in 1979 or 1980 dollars. The \$180-million figure is a figure including inflation through to the completion of construction.

Now UTDC, in the Scarborough line, is a vehicle supplier and a systems supplier, a control supplier, whereas the TTC is its own general contractor. In other words, they have designed the guideway and obtained the right of way. They have designed the stations and have tendered that work themselves.

5:10 p.m.

Mr. Cunningham: Portland had developed a system for, as I said before on the record, \$10.3 million a kilometre.

Hon. Mr. Snow: When you talk about Portland and things like that, I cannot answer those questions. Mr. Foley is familiar with that and perhaps he could. I believe we should be discussing this as part of the UTDC vote. I would like to keep the discussion here on what GO Transit is planning to do, if we could. We could get you better answers on that basis.

Mr. Cunningham: I am always interested in the best answers.

I should like to ask one question before I defer to Mr. Samis, and that is as to the estimated operating cost per kilometre on the Scarborough project. I know that we may be just off the vote here, but I know someone in this room would have that. I don't have those figures.

Hon. Mr. Snow: I don't. It is immaterial in our discussion here because they are going to operate that system nonautomated, so that is going to affect the operating cost.

The operating cost of our proposed system in

the DeLCan study is about 50 per cent of the operating cost of any of the other three options, and that makes a tremendous difference.

Mr. Cunningham: How much is that?

Mr. Leach: It is \$80 million versus \$40 million.

Mr. Cunningham: How much per kilometre?

Hon. Mr. Snow: I believe the operating cost in the DeLCan study for a heavy rail system is approximately \$80 million per year.

Mr. Leach: It was \$86 million.

Hon. Mr. Snow: That was the total line, Hamilton to Oshawa, \$86 million versus \$42 million, if I remember rightly.

Mr. Leach: That is correct.

Hon. Mr. Snow: Therefore there is a difference in the operating costs of any of the three types of heavy rail equipment, compared to the separate right-of-way, electric rail, advanced light rapid transit system.

Mr. Cunningham: What about a comparison to light rail?

Hon. Mr. Snow: They did not do a study on light rail.

Mr. Cunningham: That is a very interesting comment.

Hon. Mr. Snow: Basically, the ALRT is light rail.

Mr. Cunningham: How about a competitive light rail option?

Mr. Gilbert: A streetcar?

Mr. Cunningham: Let us talk about what Bombardier is doing for Portland, a light rail transit vehicle.

Hon. Mr. Snow: We are back to Portland again.

Mr. Cunningham: No, we are back to LRT again.

Mr. Gilbert: I keep getting back to the fact that when you compare streetcars versus an intermediate capacity system, really and truly you are comparing apples and oranges. As I said before, we have designed streetcars too, but to try to compare the two things, you have to come up with the same developments and say, "We want to put a streetcar in." Are you really saying we should be running a streetcar from Pickering to—

Mr. Cunningham: I am not suggesting that you run a streetcar. I am suggesting that you run a conventional light rail vehicle.

Once you take away this preconceived notion

that it has to be, first, automated and, second, that it has to have steerable trucks, if you take away those two requirements on which the government is hanging its hat right now, are there no companies in the world that could not respond to your need?

Mr. Gilbert: You have to give the terms of reference, however; you have to give the design criteria. Any time you go out for a proposal, you cannot just say, "Put in a proposal to run. . ." You have to give them some idea.

Mr. Cunningham: How about capacity per hour? As a steward of public money, that is really all I am interested in, as long as it is safe and the cost is efficient.

Hon. Mr. Snow: Basically, there are about three different capacity systems. Streetcars, as I understand it, will carry about 10,000 passengers per hour; the ICTS is basically 20,000 to 25,000 passengers per hour; a heavy rail subway system, like the TTC Spadina and Yonge Street lines, is something like 40,000 passengers. Our system, the ICTS or ALRT system, is designed to meet that need in the 20,000 to 25,000 passengers per hour range.

Mr. Cunningham: For instance, according to GVRD statistics, talking in terms of riders per hour, Vancouver supposedly is able to do 7,500.

Hon. Mr. Snow: That may be the initial design. They may be putting the appropriate number of vehicles on that line to handle that number of passengers. That is one of the things about this system. You can run single vehicles at five- or 10-minute headways or double vehicles at 10-minute headways or trains of four vehicles at two-minute headways. It all depends on the amount of capacity you need.

In this system for GO Transit, with the size of the trains and with the headway, whether it is every two, three, five or 10 minutes, say, between Oshawa and Pickering, there is going to be a considerable difference in handling the capacity from that in the central core section of the system.

Mr. Cunningham: I understand that. What is to stop you from saying to the international transit market, "We need a flexible system, so if we want to expand it elsewhere we can, from Oshawa to Pickering and from Oakville to Hamilton to move X number of people per hour, and we invite your proposals."

Then you could determine, with all the criteria you would have in systems description, the decibels, the noise levels, the top speed, capac-

ity per hour, whether it is automated or whatever, and then the two most important things: the capital cost of the program and, in the long term probably even more important, the operating cost per kilometre. Then you would take all of that and make your decision.

You have had a study done through your favourite consultants, who are nice people, De Leuw Cather—

Mr. Gilbert: When you say they are favourite consultants, Mr. Cunningham, we have a lot of excellent consultants in this province. Choosing De Leuw Cather to do this was a long process that started with the electrification. De Leuw Cather won that fair and square; it was not a case of taking favourites at all.

Mr. Cunningham: Maybe my comment has detracted from my question. What is to stop you from doing exactly what I said and inviting the manufacturers of the world to—

Hon. Mr. Snow: First of all, it is basically a government policy. We want these jobs in Canada. We are not interested in buying an offshore system. It is the same as our development of the articulated bus here in Ontario; we chose not to go to Sweden or Germany or wherever and buy articulated buses.

Mr. Cunningham: Very commendable. In the annual UTDC report, they talk about UTDC contracts in Cairo, San Francisco, New Orleans, California, New Jersey.

Hon. Mr. Snow: We fully intend to sell systems in countries where they do not have local markets. I do not anticipate that we will sell an ICTS system in West Germany or in Paris where they have developed transit manufacturing facilities. The places we are zeroing in on are in areas where they are going to be buying outside their own country.

Mr. Gilbert: Mr. Cunningham, when you mention about going worldwide, going back about eight or 10 years—and Ian Campbell will remember that—we first went out with proposals because there was no system around to fit that intermediate need. It was in recognizing that need at that time, about 10 years ago, that we set out to ask for proposals. It is all there to see. We ended up having to develop our own.

Hon. Mr. Snow: We do not expect to sell an ICTS system in Japan, for instance. We have a licensing arrangement with a company in Japan that they may use our technology, but we do not expect to build cars in Kingston or Thunder Bay or anywhere else to ship to Japan.

5:20 p.m.

Mr. Cunningham: I should like to ask Mr. Foley tonight how well we are doing on that basis.

Mr. Chairman: I am going to interject here. I think the vote is going to occur at 5:25 p.m., so we can carry on for another two or three minutes. I also think we should try to restrict our comments as much as possible to the Toronto Area Transit Operating Authority rather than the Urban Transportation Development Corp.

Hon. Mr. Snow: You do not want to stay—

Mr. Samis: I do, but the maximalists are in ascendancy.

Hon. Mr. Snow: Do you mind if we carry on without you?

Mr. Samis: I would ask that you not. Mr. Cunningham has had 90 per cent of the time.

Mr. Chairman: I think we should probably give the floor to Mr. Samis as soon as possible.

Hon. Mr. Snow: There are a number of questions that Mr. Cunningham put on the record and which I have not had an opportunity to answer.

We have basically explained the assignment of consultants and how that is done. A consultant assignment committee recommends the assignment of all consulting work, whether it is designing a bridge, a highway or whatever. We use a very broad spectrum of consultants from all across the province.

One question was with regard to the environmental assessment procedure, which has not been decided upon at all at this time. We are considering asking cabinet to exempt from full environmental assessment the sections of the line that run along an established transportation corridor. For instance between Oshawa and Pickering, we are running along the edge of the Highway 401 right of way against the Canadian National railway right of way. There is very little option there to change it.

We will no doubt have recommendations or guidelines from the Ministry of the Environment to follow, but to do a full environmental assessment along that very limited corridor, where you have two-mile-long CN freight trains running on one side of you, and thousands of cars and trucks running on the other—I do not really think there is an environmental problem in that area.

We will try to convince the Ministry of the Environment and cabinet there is really no environmental problem in those areas where we are on hydro rights of way against an existing CN main-line track. We are not going to add

anything to the environmental problem; it is already there.

I would expect we would be subject to full environmental assessment on the line going into Hamilton, for example, whether it goes right through the city of Hamilton to, say, Stoney Creek, or whatever. I expect the total northern line which will be going on a new right of way through communities would also have a full environmental assessment.

However, to get the Oakville to Hamilton and the Pickering to Oshawa sections under way, where we are travelling existing transportation corridors, it is our intention to propose that those do not require the full environmental process.

Mr. Chairman: I think we should adjourn at this point. We have one minute left.

The committee recessed at 5:24 p.m.

5:28 p.m.

Mr. Chairman: Back to work again, gentlemen. Interjection.

Mr. Chairman: They tripped George on his way up.

Hon. Mr. Snow: The interesting part was that Mr. Philip missed that vote. He was locked out.

Mr. Cunningham: He was paired with me.

Mr. Chairman: I believe the minister was in the process of completing his response to Mr. Cunningham.

Hon. Mr. Snow: I had just completed explaining the situation on environmental assessment. I said that those are the proposals we will be putting forward and discussing with the Minister of the Environment (Mr. Norton) and perhaps eventually with cabinet. It certainly is not our intention to ask for a complete exemption from the Environmental Assessment Act for this project.

Mr. Cunningham: I have taken a lot of time and George might want to get in too, but before I leave I have one more functional question about the GO station parking.

You really, with respect, haven't answered my question about what makes your advanced light rapid transit different to that of other LRT manufacturers in the world, on an intermediate capacity basis?

Hon. Mr. Snow: It's an automated system. It is a very quiet system. It has the steerable trucks. I don't think any of those other manufacturers can offer any of those features.

Mr. Cunningham: I would take issue with you

on the subject of noise. In fact, the statistics I have from the Greater Vancouver Regional District on the subject of noise indicate that the Edmonton system is operating at a level of 74 to 76 decibels; the Calgary system, which is identical, is operating at the identical operational standard, 74 to 76; San Diego, 74 to 76; Portland—that is Bombardier—it is anticipated will be 74 to 76; and your system, in Vancouver, 74.

So to all intents and purposes in an urban environment they are all ostensibly the same, and that's with your steerable axle and new modern truck.

Hon. Mr. Snow: That's with the linear induction motor too.

Mr. Cunningham: Are you saying that the linear induction motor is decidedly noisier?

Hon. Mr. Snow: No.

Mr. Cunningham: Well, what are you saying?

Hon. Mr. Snow: I just said that. I just made a statement.

I don't know what speed these other systems operate at. One of the great benefits of the linear induction motor is faster acceleration and deceleration, and its acceleration on grades. One of the reasons we are proposing to go to the rotary motor for the intercity line, or the interregional line as we call it, is that we do not have that need for rapid acceleration between close stations and so on that you do on the Scarborough line, or in Vancouver, or Detroit.

Mr. Cunningham: Just for the record, the top service speed is as follows: Edmonton, 60 kilometres per hour; Calgary, 80 kph; San Diego, 80 kph; figures are not available for Portland; the top service speed for your system in Vancouver is 72 kph.

Hon. Mr. Snow: I don't see Edmonton and Calgary running at 80 kph down the centre of a city street.

Mr. Cunningham: That's their potential; whether they choose to or not is another matter, but they have that capacity. It is a matter of record that these comparison figures were not put together by me but by Vancouver. My submission to you is—

Hon. Mr. Snow: Again, Mr. Chairman, we are talking technical details relating to the system, which we should be discussing in tonight's—

Mr. Cunningham: You say that, except that my submission to you would be that we need not adapt your system, which is going to cost a lot of money and, more significantly, is going to commit us to that system for many, many years,

on perhaps two of the most important transit routes in Ontario. That is germane to this vote and I know the chairman would accept that.

I've made my point to you. My preference would be to see that you list the system description you want and that you consider other proposals. You made the comment earlier about not wanting offshore technology. My preference certainly would be for domestic technology.

Hon. Mr. Snow: I sometimes wonder.

Mr. Cunningham: No, don't wonder, because I'm very clear in that regard. It somewhat—

Mr. Samis: Excuse me, Mr. Chairman, we are getting into a debate. Mr. Cunningham has now had about 80 per cent of the usable time—

Mr. Cunningham: I'm sorry.

Mr. Chairman: I would agree and I would think in all fairness to Mr. Samis, we should proceed with his questions.

Mr. Samis: I just have a few questions, but I would like to raise a couple dealing with the master plan and some of the other operations under the Toronto Area Transit Operating Authority. There are some reservations about the cost figures; whether or not in the light of the experience in Scarborough those figures will hold.

For example, there was an article in the Financial Post on October 16 of this year raising that very question. What are the reasons for the dramatic increase in the cost of the cars, for example? In the Scarborough situation the figures they use in the article are from \$25.9 million to \$48.7 million.

They estimate that one third of that cost of escalation is due to modification for drivers, but the point they make in the article is not one that should be casually dismissed. The intermediate capacity transit system experience in Scarborough would lead one to believe that the cost estimates for this line are bound to go up.

Hon. Mr. Snow: I would be the first one to agree that they are bound to go up, and that's why we have not specifically tried to estimate or to quote a dollar cost for the total system. We have estimates on the Pickering to Oshawa and Hamilton to Oakville lines.

Again I say, those estimates at the Oshawa end only include going into the first Oshawa station basically, not on through Oshawa to the station at the other end. The ones at the Hamilton end basically include going only to the city boundary, and not the line through the city of Hamilton, which is a different subject. Also, those are based on 1982 dollars. I am not going

to go out and say what the total system will cost. Some of it will be built in 1988 and 1990 and perhaps 1995 before the total system is completed.

That is also the situation on the Scarborough line. There are a number of reasons for increased costs on the Scarborough line. For one, the different car with a cab for an operator that the Toronto Transit Commission requested meant redesigning the car. That involves inflation. I believe those estimates for Scarborough were in 1980 or 1981 dollars. The main part of the system is being put into place in 1983-84 and 1985, so perhaps we have escalation in those prices.

It is just the same as when we buy GO train cars, for instance, from Hawker Siddeley for GO Transit. The estimates are based on the current dollar, but each year we pay on escalated dollars, so the end price becomes—

Mr. Samis: I think everyone recognizes that, when you look at the figures in Scarborough.

Hon. Mr. Snow: The redesign of the car is one of the costs, the different guideways the TTC is using are another added cost. Of course, the difference between the \$105 million and the \$134 million that it was supposed to be, having a mature system, was the grade separated—

Mr. Samis: No, I am thinking more of the \$134 million or the \$180 million.

Mr. Cunningham: How many grade separations are there?

Hon. Mr. Snow: I am not sure.

Mr. Cunningham: I think there is one.

Hon. Mr. Snow: I do not believe that is right.

Mr. Chairman: One minute left.

Hon. Mr. Snow: Gerry, do you know how many grade separations there are?

Mr. G. H. Johnston: I cannot recall right now.

Hon. Mr. Snow: I believe it is more than one.

The committee recessed at 5:39 p.m.

5:43 p.m.

Mr. Chairman: Shall we continue? We do have a private member's bill, City of Windsor Pr39, on at 7:30. That will really only take about 10 minutes and, if everyone is in agreement, perhaps we could get back into the Ministry of Transportation and Communications estimates at about 7:45 p.m., if everyone is here right at 7:30.

Mr. Samis: I just have one final question since Mr. Cunningham has covered most of the issues. First of all, I want to say that we support the ministry in encouraging indigenous technology and to create jobs in Ontario as much as

possible. I understand the point Eric is trying to make, but I think, considering the alternatives available, we would support the decision that was made.

I just want to ask about the northern line; who will pay for that?

Hon. Mr. Snow: The proposal is that the northern line would be a GO Transit line. In the TTC accelerated rapid transit study they have identified the need for a line in that corridor as well. The proposal at this time is that the line serve both needs; the interregional system and the local system would operate over the same right of way and the same tracks.

As far as the detailed agreement with Metro and TTC is concerned, GO Transit is, of course, a 100 per cent provincial responsibility. If the TTC had built that line, we would have paid 75 per cent in any case.

We have not finalized any agreement as to a shared line and shared station. Our stations for the interregional system would be larger at the main intersecting points. TTC might have smaller stations closer together. A final cost-sharing agreement for the part within Metro has yet to be settled.

Mr. Samis: You are definitely looking for a cost-sharing arrangement?

Hon. Mr. Snow: There will be some cost sharing, but I do not expect it to be a 75-25 sharing.

Mr. Samis: Is there any sense in discussing figures at this stage or is it far too preliminary?

Hon. Mr. Snow: I cannot say what the actual cost sharing would be.

Mr. Samis: No, but you must have some idea of what you are seeking—obviously you have some flexibility to build on—as the provincial authority, the main financial backer, the key people.

Hon. Mr. Snow: We are the payer, regardless.

Mr. Samis: Yes, the question is how much you pay.

Hon. Mr. Snow: Whether it turns out that we pay 100 per cent of our stations and they pay 75 per cent of their stations and we share the right of way, 90 per cent to 10, or something like that, I do not know. There is room for negotiation in that area.

Mr. Samis: Can I just switch to a series of short questions on the overall operations of the Toronto Area Transit Operating Authority? Can you bring us up to date on where things

stand on the overcrowding problems you have had on the lakeshore line?

I know you have had a lot of problems, and you took some temporary measures to try to alleviate them. Can you bring us up to date with where things stand now?

Hon. Mr. Snow: We have implemented the additional train, the short-turn train as we call it, that goes to Port Credit. We have been unable to negotiate any additional track time or to run any additional trains beyond Port Credit. Canadian National has three tracks as far as the Port Credit station but only two beyond it, so we have the trains we run to Oakville and the two trains beyond Oakville, and then we have added this one train to Port Credit, which has been a great help.

Before, the trains that started out at Hamilton went to Oakville and then to Port Credit and the people in Port Credit never got a seat. Now, at least, they have an empty train to start off with from Port Credit into Toronto. Our plan calls for us to continue to try to upgrade in the interim and get more capacity, if possible, on that line, but that depends totally on whether CN will give us any additional track time.

Mr. Samis: Have there been any changes or modifications of the arrangement with CN and, second, how many bilevel cars will be coming on stream next year?

Hon. Mr. Snow: Our contract with CN is a 10-year contract which is four years old. We have negotiated additions to that, to run the Bradford and the Stouffville lines. We haven't changed the master contract in any way, except our contract will be affected by the federal six and five program; it affects CN, which affects our costs.

In regard to the doubledeck cars, we now have 80, I believe, that we bought a few years ago. We entered into a contract for a further 71. Two or three of those are going to be delivered before the end of this month, before the end of calendar 1982.

Mr. Samis: How many again?

Hon. Mr. Snow: Two or three cars.

Mr. Samis: How about 1983?

Hon. Mr. Snow: Unless something drastic happens, they will all be delivered by the end of December 1983.

Mr. Samis: Where is it the intention to use most of those? Will they be evenly divided between the lines or will you zero in on certain lines?

Hon. Mr. Snow: They will be used where the highest capacity is needed. Basically, without the new Bradford and Stouffville lines we would have been able to use a complete doubledeck system, but we will still be running singledeck cars on the Stouffville and Bradford lines. They will be run where we need the capacity.

Mr. Samis: I presume your problem is on the lakeshore line and that is where—

Hon. Mr. Snow: We are running all doubledeckers on that line now, I believe.

5:50 p.m.

Mr. Samis: Completely?

Hon. Mr. Snow: Not quite.

Mr. Samis: When I come in on Highway 401 or on the old Canadian National train, I sometimes see singledeckers there.

Hon. Mr. Snow: You may see some; it depends where you are.

Mr. Parsons: They are not run on the overcrowded trains. They are run, for instance, at—

Hon. Mr. Snow: They run offpeak or—

Mr. Samis: No, if I am coming in by train, it is early in the morning, seven or 7:30. I am coming in on the overnight train.

Hon. Mr. Snow: Whereabouts are you talking about?

Mr. Samis: From Pickering in.

Hon. Mr. Snow: The Stouffville line joins the lakeshore line and the Stouffville train is a singledecker and it comes in on the same tracks as the Pickering line within Metro. It may change from day to day. If there is a problem involving doubledeck cars we might pull out some of the singledeckers to fit in.

Mr. Samis: Could I just ask you briefly about the self-serve fare collection system? I gather you are experimenting with it. I was rather flabbergasted they had that the last time I was out in Calgary. It works fairly well.

Where are you experimenting within your jurisdiction, or are you at that stage yet?

Mr. Parsons: The honour system?

Mr. Samis: Yes.

Mr. Leach: We have just completed a study on implementing the honour system and we propose to introduce it this year, if funds are available, on the Milton line.

Hon. Mr. Snow: We have done some work on the honour system with Ottawa Transit, for instance; Ottawa is planning tests down there using the honour system.

Mr. Cunningham: They are very trustworthy people in Ottawa.

Mr. Parsons: It is interesting to note that when we were in Vancouver a couple of weeks ago we saw Sea Bus, which is part of the Greater Vancouver Regional District, which is an honour system, and they did not pursue people for being dishonest because they believe there are so few of them. They said the embarrassment caused when they catch the odd one causes people to not try to beat the system.

That is a better report than we get from other places.

Mr. Samis: I was going to ask you, what sort of feedback do you get from Calgary?

Mr. Parsons: I have not seen those figures.

Mr. Leach: They talk about three or four per cent.

Mr. Parsons: In Europe they run them right into the hoosegow when they catch them avoiding the honour system.

Mr. Samis: It will be interesting to see if the good burghers of this fair city are prepared for that.

On page 11 of your report there is mention of a bus shuttle arrangement you had with Canada's Wonderland and the fact it carried something like a quarter of a million passengers. Can you give us any more information as to the nature of the arrangement?

Hon. Mr. Snow: We entered into a contract to run a service to Wonderland. They wanted the service; it is not part of our normal transit type of service. We entered into a contract to run a service there. I guess part of it was they wanted a service to get their employees there, as well as—

Mr. Samis: I can see why they wanted it. Why did GO do it?

Hon. Mr. Snow: We are doing it on a full-recovery basis. It is not a subsidized service.

Mr. Samis: I understand that. That then is the sole motive, is that right?

Hon. Mr. Snow: It gives us utilization of our equipment in offpeak periods.

Mr. Samis: What equipment do you use on that line?

Hon. Mr. Snow: Buses.

Mr. Samis: None of your new ones, I presume?

Mr. Leach: No, most of our service is a peak weekday service. We have spare equipment offpeak and on the weekends when there is a heavy demand from people going to Canada's Wonderland. It provides a service for them and

it provides an opportunity for us to make some money.

Mr. Samis: Last year we raised the question about the percentage of your costs you were actually recovering from the fare box. I think the figure mentioned was 55 per cent. What is the figure for this year?

Mr. Leach: It is 54 per cent.

Mr. Samis: What was the increase in your fares?

Hon. Mr. Snow: It was 15 or 16 per cent.

Mr. Samis: Last year I recall the statement was made that the purpose was to bring it to the ultimate goal of 65 per cent. What has happened this year? Has it declined?

Hon. Mr. Snow: There are a number of reasons for that. We have added lines which last year we really didn't know of or weren't planning on or weren't budgeting for, but we did add two extra lines which are not the most cost-recoverable lines in the world. I don't know whether we have direct percentages on those two lines or not, but our process is to try to get two thirds or 65 per cent of revenue from the fare box. We have been moving towards that but inflation keeps taking us over.

Mr. Samis: In the last three years it was 53 for 1981; 55 for 1980; and in 1979 the figure would be what?

Mr. Leach: Several years ago, we were higher. At one point we were close to 65 per cent and then a fare freeze was put into effect, which dropped us down into the low 50s for two or three years. We haven't been able to recover from that.

We plan to be at 65 per cent within three years. However, by having to take over the Bradford and Stouffville services from Via Rail, it has dropped us down one percentage point this year.

Hon. Mr. Snow: We have also implemented the Milton service and any new service isn't mature the day you open.

Mr. Samis: I just want to get the figure for 1979. Is that available?

Mr. Leach: I may have it.

Mr. Cunningham: While he is looking for the figure, I wonder if we can get a comment with regard to the auditor's report in which he comments about serious deficiencies in accounting and internal controls. Would that not be part of the problem here? Have these particular concerns been addressed by now?

I noticed there was an advertisement in the

Globe and Mail—I think in the business section last Wednesday—from which it is apparent you are hiring some high-level accountants and administrative types. Are they being hired to address themselves to the concerns expressed on pages 100 and 101 of the auditor's report?

Mr. Parsons: Prior to the Provincial Auditor arriving on the scene, our in-house auditor, Touche Ross, had been given the report to which you refer, and a study was commissioned by Arthur Anderson and Co. to review our total finance division.

Yes, it is as a result of that review, which was acted upon prior to the publication of the Provincial Auditor's report, that you see these ads you refer to, Mr. Cunningham, that appeared in the Globe and Mail last week. We do have a new director of finance on board, who we believe is attending to the concerns that were expressed, and we are sure they won't be appearing there again next year.

Mr. Cunningham: You fired the old one?

Mr. Parsons: No, he is in the position of director of audit and security, which is an increasing responsibility we have. Because of the nature of our operation, security has become a—

Hon. Mr. Snow: Naturally, Mr. Cunningham, when I received the auditor's report I immediately questioned the procedures being used and had discussions with Mr. Parsons and Mr. Leach and said that these matters had to be rectified immediately. By this time, they were already in the process and they have since reported to me that they have been done.

Although the auditor's report points out some weaknesses in the procedure, this is due to the fact that the system has grown very rapidly. But in no place in that auditor's report was there any suggestion that there was any loss of funds—there were not sloppy but inadequate procedures, shall we say. I am assured by the chairman and managing director that these have been rectified and addressed.

Mr. Cunningham: Would you table the internal audit for the critics?

Hon. Mr. Snow: I have no problem with it.

Mr. Parsons: It was tabled, I believe, sir. The internal audit has been tabled with the Provincial Auditor. The internal audit is scrutinized by the Provincial Auditor, who then approves it and puts it in as his report.

6 p.m.

Mr. Cunningham: I understand the process, being a member of the standing committee on public accounts, but I do not get the internal audit. That is what I am asking for.

Hon. Mr. Snow: I just have to check the procedure. Certainly the full outside audit, whatever you call it—the Touche Ross report—is gone over by the Provincial Auditor and is included in his report.

Mr. Cunningham: I do not want the audit from your annual report. The comments made by the auditor on pages 100 and 101, which really just speak in generalizations, are not particularly helpful to me in determining what is a serious deficiency in accounting and internal controls, the apparent lack of competent accounting staff within the organization, or that internal control has deteriorated. None of that is helpful to me as a critic for this ministry or as a steward of public funds.

What I am asking is will you table the internal audit report so I can take a look at it for myself to see what these deficiencies are?

Hon. Mr. Snow: We will make a point to discuss that with the Provincial Auditor to see if he has any objection to that.

Mr. Cunningham: I do not want to belabour the point, and I am taking up some time, but it has nothing to do with the Provincial Auditor. The report is made to him on a routine basis. The report is the property, really, of TATO and of the ministry. I am asking to see the internal audit report on it.

For my own purposes, I would like to see what prompted such a mild-mannered man as the accountant to comment that there are serious deficiencies in accounting and internal control. His report here is more complete than anything else I have seen, but it is only, in total, one page in the auditor's report. I would like to see what caused him to make such a comment.

Mr. Gilbert: Mr. Chairman, Mr. Cunningham, being on the public accounts committee, knows that what auditors' reports should be tabled and what reports are tabled has been discussed before. As the minister says, it is something we would want to talk to the Provincial Auditor about. It is a document he uses—

Hon. Mr. Snow: It is basically a working paper for his report.

Mr. Cunningham: I understand fully what it is. I also understand, having discussed it with Provincial Auditors previously, that from their point of view they are not at liberty to table it,

because it is your report. That is why I am asking you.

I am not asking Mr. Scott, who is now retired, or Mr. Archer, who is the current auditor. I am asking you. You own the report. I am asking you, the owner of the report, to table the report, so we might see just what these serious deficiencies in accounting and internal controls are to which they referred in the public accounts committee. That is all.

Hon. Mr. Snow: I will have to take that under advisement. I personally have no concerns, but before I make the commitment that I will table it I would have to—as I see it, it is a working paper of the Provincial Auditor. I do not know what his policy is on having his working papers tabled.

Mr. Cunningham: I see the comment in here and then an ad in the paper.

Hon. Mr. Snow: There is no doubt the comments were there.

Mr. Samis: Could I ask just one final question dealing with the bus service you are providing? I think it is up to almost 200 buses now. I am curious as to what area of consultation you have with the various private services to avoid duplication and overlapping.

Hon. Mr. Snow: Basically, we are supplying a commuter service where the private sector is not doing so. In all cases, the service is run by private sector operators using our equipment. We have contracts with Gray Coach Lines, with Travelways and with Charterways, which operate the services for us. We do not, per se, have any bus drivers.

Mr. Samis: No, but you have routes, do you not? You may not have your own drivers, but you see the GO buses around. I am just wondering, do you actually work out an agreement with Gray Coach, Charterways, Voyageur or any of them? You are saying none of them is—

Hon. Mr. Snow: We are operating services that are not competitive or, basically, that they are not interested in running.

Mr. Samis: They are not in it at all?

Hon. Mr. Snow: For instance, take the Milton service. For as many years as I can remember, and that's quite a few, Gray Coach ran one bus between Milton and Toronto, leaving Milton at 7 a.m. and returning from Toronto at about 7 p.m. When we took over that service we immediately started running about five buses, and before the the rail service went into being we were probably running 10 or 12 buses or some-

thing. Gray Coach Lines was only prepared to run one.

We worked that out with them. When we took over that service, Gray Coach ran it for us. There was certainly no complaint from Gray Coach that we were taking away the one bus a day they were operating in this area.

Mr. Samis: So you have had no problems with any of the private carriers at all?

Hon. Mr. Snow: In many of the cases they have come to us and said they were going to discontinue service on certain routes and we took them over.

We run most of our bus services to the subway now. Some of them, of course, go into the central core, but a lot of them run to Finch subway station or to Yorkdale subway station.

Mr. Chairman: Do you gentlemen see any need to have the people from the TATO A back this evening? We do have the Urban Transportation Development Corp. scheduled to come in.

Mr. Samis: May I just ask what is it we have on at 7:30 p.m.?

Mr. Chairman: We have a private bill, Mr. Wrye's bill, Pr 39, dealing with the city of

Windsor, that was before this committee a few weeks ago. There were some matters to be sorted out between the Ministry of Municipal Affairs and Housing and the city. I understand they have done that.

Mr. Samis: I will have to get my colleague to represent me.

Mr. Chairman: They are aware that we are going to be here at 7:30 p.m. It has been on the Order Paper for about a week now. I am concerned that we have enough committee members here at 7:30 promptly to deal with the issues so we can get back into the MTC estimates at 7:45 p.m.

So we do not need the people from TATO A any more. Thank you, gentlemen.

Hon. Mr. Snow: Are you going to carry that vote then?

Mr. Chairman: Is it the committee's wish that we carry it now?

Mr. Cunningham: Have you decided about that internal audit? I would move that we carry it.

Vote 2705 agreed to.

The committee recessed at 6:07 p.m.

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Wildman, B. (Algoma NDP)

From the Ministry of Transportation and Communications:

Gilbert, H. F., Deputy Minister

Johnston, G. H., Assistant Deputy Minister, Provincial/Municipal Transportation

Leach, A. F., Managing Director, Toronto Area Transit Operating Authority

Parsons, L. H., Chairman, Toronto Area Transit Operating Authority



No. T-5

Legislature of Ontario Debates

Official Report (Hansard)

Standing Committee on Regulations and Other Statutory Instruments

Estimates, Ministry of Transportation and Communications

Second Session, Thirty-Second Parliament

Monday, December 13, 1982

Evening Sitting

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Monday, December 13, 1982

The committee resumed at 7:32 p.m. in committee room 1.

After other business:

ESTIMATES, MINISTRY OF TRANSPORTATION AND COMMUNICATIONS (continued)

On vote 2702, policy planning and research program:

Mr. Chairman: We have a quorum and can now resume the estimates of the Ministry of Transportation and Communications.

We have Mr. Foley of the Urban Transportation Development Corp. with us this evening. That will be the subject matter for the majority of the evening's discussion. Would the two opposition critics care to lead off in questioning?

Hon. Mr. Snow: Mr. Chairman, Mr. Foley has a summary document—it is not a report—that he would like to give the critics to start with and then they can lead off.

Mr. Chairman: Is that agreeable?

Mr. Cunningham: Maybe he could give out the documents after the estimates are over. We've gone through this I don't know how many times, Mr. Chairman. I want to put on the record that it is more than just a bit God-damned annoying. We get the annual report, which I'm sure is a public document, given to us on Friday. Mr. Samis got his today. And now we get some other briefing material that relates to one of the most technical matters the Legislature has to deal with in the course of the estimates.

I've made my comments known on this in the past. I've been very clear with the chairman of this corporation, as well as with other executives who work in the corporation. I find it fundamentally annoying that we get technical data given to us right at the estimates. It is discourteous. It shows no respect.

Mr. Chairman: I do not believe this is technical data. This might be considered an opening statement Mr. Foley might make at the opening of the estimates relating to UTDC. Rather than take up the time of the estimates in reading out

this opening statement, I'm suggesting that it be tabled. It is not technical data in any way.

Mr. Cunningham: How can we comment on it? How can we digest it and utilize it during the course of the estimates if we get it right now?

Mr. Chairman: In any event, gentlemen, the report is being made available to committee members. I would suggest we proceed as we have on every other vote, with the opposition critics leading off the questions.

Mr. Samis: Mr. Chairman, I want to support Mr. Cunningham's statement wholeheartedly. As opposition critics, we have little enough access to information as it is, and we are fully entitled to have this information before anyone appears here.

I have not been involved with this ministry nearly as long as Mr. Cunningham, but I think the principle is a very important one. I take his word that this is apparently a recurring feature of UTDC presentations. I think it has got to end. I hope we do not go through this again next year.

Hon. Mr. Snow: With all due respect, this presentation document is basically a statement at the opening of the estimates. We could conceivably read through this statement and use up a great deal of the estimates' time. I feel the time can be put to better use by discussing the issues the members of the committee wish to discuss.

With regard to the financial statement of the company, that was made available to Mr. Cunningham on Friday. Mr. Samis would also have received it if he had been in his seat.

Mr. Samis: I understand that.

Hon. Mr. Snow: There were three copies of the annual report of the company that Mr. Foley sent to me early last week. I took the three copies I had and made two available to you people. It had just come from the printers at that time. That document was just made available to me last week.

Mr. Chairman: Mr. Kennedy had indicated to me, on the previous vote this afternoon, that he had one or two short questions he wanted to ask on that. I leave it up to the committee to decide whether or not we should allow Mr. Kennedy time.

Mr. Cunningham: It is fine by me.

Mr. Samis: Agreed.

Mr. Kennedy: You used the adjective "short." I wondered if the minister could comment on the ridership totals on the main corridors that now exist, particularly from east to west into Union Station. What is the buildup? Have the doubledeckers really filled the demand for ridership? As an appendage to that question, where are we in tying in local bus service, public transit service, to the GO Transit stations?

Hon. Mr. Snow: From the information I have with regard to the ridership on the lakeshore—I do not have it going back for a number of years—the ridership on the rail system has increased in the first six months of this year over the first six months of last year by 4.7 per cent. The ridership on the bus system has increased by 4.1 per cent. The total system's ridership, six months over six months, is an increase of 4.4 per cent.

I guess that relates to the Toronto Transit Commission ridership increase this year, which I believe will be between a two and three per cent increase on its system. I think one has to take into consideration the state of the economy which makes a difference on transit systems in general.

You questioned the doubledecker cars. When we introduced them we did so because we were getting to the limit of our capacity on singledecker cars. In order to get additional capacity we went to the doubledeckers. That increased the capacity of each car by about 70 per cent. We have now used up that capacity. Many of the rush hour trains are jam-packed at present. We put on that extra train to Port Credit in September, which again has given us some breathing space and capacity.

7:50 p.m.

Mr. Kennedy: Is it full?

Hon. Mr. Snow: I cannot tell you about that particular train. Dave Sutherland is here. Perhaps he can tell you what the ridership is on that particular train.

You have to remember that we opened the Milton-Mississauga service as well. When that opened it had some degree of relief for the lakeshore because some people started using the Milton line instead.

Mr. Kennedy: I just wondered about the acceptance of that extra train.

Hon. Mr. Snow: Dave, can you tell us what the ridership is on that train?

Mr. Sutherland: The ridership on that particular train is now in the range of around 1,200. The main thing that has happened is that the 2,100 people who were using one of the other trains, and the 1,900 on a second train, have now sort of spread themselves out to fill up this train. So there are no longer the really crowded trains we had prior to the introduction of the extra train.

Mr. Kennedy: The other question I had was brought up by Mr. Cunningham earlier, or at least you responded—

Hon. Mr. Snow: There is one other question you had about the interconnection of the municipal transit. Mississauga now has an integrated fare system. It is not the same as Oakville and Brampton. One can now buy a GO Transit sticker for \$6 a month, I believe.

Mr. Sutherland: Yes, \$6 a month.

Hon., Mr. Snow: That is paid to Mississauga Transit, and that gives you rides on that system to any of the Mississauga GO stations.

Mr. Kennedy: Is that a regular \$6 pass per month for the Mississauga Transit system?

Hon. Mr. Snow: Yes. That only gives you rides on Mississauga Transit to and from the GO train. It does not give you a pass on the Mississauga Transit going in every other direction. That is only for bus connections to the GO service.

Mr. Sutherland: It is for Mississauga connections to the GO train, yes.

Mr. Kennedy: If it is specifically for that, have they dovetailed the timetable so they will land at the GO stations at the right time?

Hon. Mr. Snow: Well, we hope so.

Mr. Kennedy: There were some problems with that in the past.

Hon. Mr. Snow: I know in Oakville the GO station is the main connection point of the Oakville bus system. In Oakville, you ride free if you are going on Oakville Transit to the GO station.

Mr. Kennedy: Why do you do that in Oakville and not in Mississauga?

Hon. Mr. Snow: Because Oakville and Brampton have that arrangement, and Mississauga wanted the \$6 a month revenue for itself.

Mr. Kennedy: They are more frugal in Mississauga, I guess.

Hon. Mr. Snow: I do not know Mississauga as well as I do Oakville, but I know that there the

buses meet all the trains; they are all scheduled to be at the station when the train comes in.

Mr. Kennedy: I have not had any complaints in this regard at all, so I presume it is working very well.

Just to cover this point, you mentioned the approximate four per cent ridership increase—

Hon. Mr. Snow: It is closer to five—4.7 per cent.

Mr. Kennedy: Is that about the way it has gone over the years?

Hon. Mr. Snow: I do not know.

Mr. Kennedy: Maybe it is hard to compare because new lines have been opened.

Hon. Mr. Snow: Yes. This is on the overall ridership on the rail. I think the increase has been more like nine or 10 per cent in most years. There is a smaller increase this year. I know the number of passengers we carry to the Canadian National Exhibition was down considerably this year. I do not think the total attendance at the CNE was down that much, but for some reason we carried fewer people this year than in other years.

I have some figures. In 1976 over 1975, for instance, ridership on the rail went up nearly 24 per cent; in 1977, nine per cent; in 1978, 9.7 per cent; in 1979, 12.2 per cent; in 1980, 3.2 per cent; in 1981, 7.7 per cent; and in 1982, 5.4 per cent. One of the reasons for the decrease is that we have been getting up to capacity in the last two or three years.

Mr. Kennedy: I see.

Hon. Mr. Snow: I don't have the figures right back to 1967, but in one year we had a 23.9 per cent increase.

Mr. Kennedy: Is the subsidy running about the same proportion in ratio?

Hon. Mr. Snow: We're not gaining in the cost-revenue ratio, even though the fares have gone up. With the increased operating costs, fuel costs and the adding of the extra lines, we have not been able to gain as much as we wanted in our revenue ratio. We're running at about, I think Mr. Parsons said 54 or 55 per cent.

Mr. Kennedy: Is the Canadian National contract flexible in that it can reflect operating costs over the course of—

Hon. Mr. Snow: We have a 10-year contract. Some items in the contract are fixed items, but many of them are cost pass-through items. There are wage increases, fuel increases and other costs that pass through under the contract.

Mr. Kennedy: You mentioned earlier that the trackage permitted this additional service to Port Credit, but the additional track doesn't go beyond that. There was the idea, at least in the minds of GO Transit officials, to extend it beyond. What is the state of negotiations, if there are any, or thoughts along these lines, with the CN? Do you see that as a coming development in the reasonable future?

Hon. Mr. Snow: We were able to negotiate with them earlier this year to get the extra train on to Port Credit. One of the main reasons we made the decision to go with the master long-range plan for our own right of way was the fact we cannot get additional capacity on the lakeshore line without tremendous additional expense to add additional rail. This is because of the conflict between rail freight traffic, Via Rail traffic and so on, especially at peak times. We could run more trains in a day on off-peak times perhaps, but we cannot get additional slots to put additional trains on during the two hours in the morning and two hours at night for the rush times.

We were able to get an additional train to Port Credit because there are three sets of tracks out to Port Credit. The three sets don't go beyond the Credit River.

Mr. Kennedy: That was really my question. Do you see the three being extended in the foreseeable future?

Hon. Mr. Snow: Not now that we have made our decision. That was one of our options. One of the options in the DeLCan study was to build two additional sets of tracks from Hamilton to Toronto which would be designated for GO trains. Then we could have additional capacity. That would have been at a tremendous cost to GO.

Mr. Kennedy: Is the proposal illustrated behind you in lieu thereof? That's what I wanted to ask about those interesting proposals. Unfortunately, I wasn't able to be at the unveiling of that. I see a line to the airport and some exciting proposals. When is all this in the mill for?

8 p.m.

Hon. Mr. Snow: We're starting right now on the detailed design of the two end extensions from Oakville to Hamilton and from Pickering to Oshawa. We're also starting on the preliminary route selection in conjunction with the municipalities for the northern line which will go up through Mississauga and across the north of Metro and back down to join in at Pickering.

Our long-range plan is for the same system to continue on through between Oakville and Pickering along the lakeshore. For a number of years we'll be using the existing heavy rail equipment that we have a large investment in on the lakeshore line. We do not see building the new system through the lakeshore corridor until at least the mid-1990s.

Mr. Kennedy: Is there any time frame at all when the service will be provided to the airport as indicated on that map?

Hon. Mr. Snow: The two extensions at each end will take four to five years to construct. It is our hope that it will be an ongoing process and we'll work on the northern route and the airport connection over the next 10 years. It's probably close to a 15-year project to do the whole thing. It could be done in 10 years if we had the funding. I doubt we'll get the funding fast enough to do it in that period.

Mr. Kennedy: Those are the questions I had, Mr. Chairman. I commend the minister for putting in that additional train to Port Credit. I've heard many favourable comments and it has helped a great deal.

Mr. Chairman: We can move back to the Urban Transportation Development Corp.

Mr. Cunningham: Did Mr. Foley want to make some introductory remarks?

Mr. Chairman: Is that the committee's wish? Do you want Mr. Foley to make some introductory remarks?

Mr. Cunningham: It's up to Mr. Foley.

Mr. Chairman: I think it's entirely up to us. I think the minister was trying to indicate that to save the committee's time, it would be preferable if the committee members wished to go straight into questioning.

Mr. Cunningham: I am in your hands, Mr. Chairman.

Mr. Samis: I would just make the point that this is 24 pages, so we don't have time to read it. Perhaps Mr. Foley could make a summary of it, due to the fact we haven't the time to go through it all.

Mr. Foley: In response to the concern of the members for presenting information, it has been our practice in the past to make a number of presentations. A few years ago, the criticism was that the presentation, which was in the form of a slide presentation and information presentation, took up too much time. We moved at that time to provide, not technical data, but summary data that would be useful in expanding

on the operations of the Urban Transportation Development Corp. That is what is in this document.

The first six or seven pages relate to the activities in 1982, which were the initiation of the Vancouver contract and the start of work on that project, the signing of the Detroit contract, the effect of the Scarborough contract and some financial highlights with respect to the earnings of the corporation during 1982.

The year 1982 is not over for another two or three weeks for accounting purposes, and our annual report for 1981 would not disclose any financial information for 1982. We have tried to bring the members up to date. As these estimates are held in December and our year end is December 31, we thought it would be useful to provide you with a year-to-date statement. It is done in a summary form.

In addition to that, we have outlined the activities of each of the subsidiary corporations. This would be consolidated in the annual report. There are four corporations. One is basically a marketing entity, called UTDC (USA) Inc. The other three are outlined in summary detail indicating what it is that each of them is doing with respect to the actual delivery projects from Metro Canada Ltd., which is a delivery corporation. It actually does project management and construction.

The Urban Transportation Development Corp. Research and Development Ltd. is another subsidiary. The members may not be aware of all of the research and development activities that are going on, other than the streetcars and the intermediate capacity transit vehicles which get the most attention. The last one is UTDC Services Inc. As a corporate group, UTDC now has an obligation to actually operate these systems and provide spare parts and training for the programs.

This document attempts to bring the annual reports up to date, set out some financial information as it is projected to the year end and outline what each of these companies has done throughout the year, what its work order backlog is and the kind of activities it is working on.

I didn't anticipate the members would want to read the document before they asked a number of questions. I thought it would give you some background. Rather than read it, I could give you any introductory remarks.

Mr. Cunningham: I would thank the chairman of the UTDC. I have some comments I would like to make. In my files on the UTDC, I have an old brochure on the introduction of the

Ontario Transportation Development Corp., the forerunner of this marvellous corporation we have here. It said here: "How large is the company and by whom will it be directed? It is intended that the company will have approximately 50 employees."

I look at page 5 of the report we received tonight and I see you have 33 by the parent company, UTDC; 348 by Metro Canada Ltd.; 27 by UTDC Research and Development; 36 by UTDC Services; and 23 by UTDC (USA), for a total of 467 employees. This is a tremendous growth in what was supposed to be a very limited company to co-ordinate and work with the private sector in Canada only.

Having said that, I have a number of questions that relate in part to that comment, and I would be very grateful if we could get answers tonight or a commitment, at least, to table answers either to the committee or in the House. They relate initially to general administration. I would like to know what the total amount is for the salaries and the office costs. More particularly, I would like to know what Mr. Foley is paid from all the companies if there is a division of his compensation, be it from the UTDC, MCL, UTDC R and D, UTDC Services and UTDC (USA).

I would be grateful to know the extent in the last two years of the business development costs, the costs in the past associated with business development. For instance, if you were entertaining a local television station to acquaint them with the niceties of your system, where could we find those costs and how much has been involved in that?

I would also like to know from the minister the number of staff doing work for the UTDC, either on loan or people who are directly involved in any way, if they have been seconded and funded from the ministry. I would like an outline of the work they do and the cost of such work and I would like to know whether or not that work is charged back to the ministry or what accounting practice you have in that regard.

I think I would conclude my comments in that regard and wait for an answer if we can get one.

Hon. Mr. Snow: To work a little bit backwards, Mr. Cunningham wanted to know how many ministry people are working for UTDC. To my knowledge, there are none, other than ministry staff that liaison with UTDC on contracts they may be doing for the ministry. We would do the same thing with anyone else who was carrying out a contract for us. Our own staff

administer our contracts with the UTDC, but we do not have anybody that I know of seconded or working or on loan to UTDC at this time.

8:10 p.m.

Mr. Gilbert: Sometimes, Mr. Cunningham, specific situations develop where we get into consultation. You can appreciate there are limited experts in this country or even anywhere else. We have a liaison committee where one person has been the chief liaison between the ministry and UTDC for contracts over the life of phase three.

We also have had a committee that I have chaired, where we have had Mr. Campbell and our legal director and financial person keeping up on just where that phase three contract was.

We relied on the technical liaison member who worked primarily in Kingston but went back and forth. He was a member of the ministry staff and, as the minister says, we would do no differently with any other contract. In fact, it would be less there than on most—

Hon. Mr. Snow: Just so there is no misunderstanding, there are employees with UTDC now that were former ministry employees.

Mr. Cunningham: How many would fit into that category?

Mr. Gilbert: About three or four.

Hon. Mr. Snow: Half a dozen perhaps.

Mr. Cunningham: I see one, and he needs a shave.

Mr. Gilbert: Including Mr. Foley, maybe it's five

Mr. Foley: We're not able to discriminate on the dress code. We can't get him to shave.

Hon. Mr. Snow: There are people who at one time or another worked for MTC who are no longer civil servants and are employees of UTDC.

Mr. Gilbert: About a half a dozen.

Mr. Cunningham: I thank you for your answer. That's one third of the question.

Hon. Mr. Snow: I guess your main question was you wanted to know what Mr. Foley's salary is.

Mr. Cunningham: That's one third of the question.

Hon. Mr. Snow: And what's the other third?

Mr. Cunningham: What has been spent jaunting around the world, on development costs?

Hon. Mr. Snow: I can't answer that.

Mr. Chairman: Before we proceed on those, is it the committee's intention that we will continue to sit through the votes or not?

Hon. Mr. Snow: That is fine with me.

Mr. Samis: I wasn't aware there would be a series of votes.

Mr. Chairman: There is a 10-minute bell in progress now which has about three minutes left on it.

Mr. Samis: I would agree with the intent of what you said, having been yo-yoed this afternoon.

Hon. Mr. Snow: On Mr. Foley's salary, I haven't got the exact figure in front of me, but his total salary to my knowledge is \$96,000.

Mr. Cunningham: Is that through one corporation or through a collection? Is your salary prorated between the five companies?

Mr. Foley: It is charged out to each of the companies. It gets paid by Metro Canada and UTDC, but it's charged as an overhead expense to all the companies on the basis of the business they do.

Hon. Mr. Snow: His total salary as I am told from management is \$96,000 or \$96,500, something in that neighborhood.

Mr. Cunningham: It's a little more than the Premier.

Now with regard to the business development costs.

Mr. Foley: Could I ask a couple of questions? You asked about office cost and administration. I could give you a number. The term "office cost" is generally a rental of accommodation and so on. But I think what you're after is the entire overhead complex of the corporate structure. Projected 1982 overhead structures against all projects, all offices and all of the corporations, is \$6.2 million.

Mr. Cunningham: Is it unfair to ask what has been spent in the last two fiscal years on business development?

Mr. Foley: I haven't got that information in the category you just asked. Business development costs would include the salaries of marketing people, their office space, overhead, allocations and so on. I don't know whether you're after travel costs—

Mr. Cunningham: I would be interested in knowing what has been spent on travel.

Mr. Foley: I can't give it to you for two years. I think I have it here for 1982. The total travel cost, including project offices, all the corporations and marketing departments, would be

\$1,217,000. That would include air fares as well as private automobile costs.

Mr. Cunningham: Is that \$1,217,000?

Mr. Foley: That's right.

Mr. Cunningham: How often does your board meet?

Mr. Foley: On average, about 10 times a year.

Mr. Cunningham: Where do they meet?

Mr. Foley: In Toronto. It has met twice in Vancouver in the past 10 years.

Mr. Cunningham: Why would they meet in Vancouver?

Mr. Foley: Because we have a project worth about \$700 million that they wanted to have a look at. The business activity we are undertaking in Vancouver is substantial and they thought they should examine that as well. We have contractual relationships for subcontracts, there is a work program going on, and it was an opportunity to visit the client to determine his attitudes and views towards the corporation's activities.

Mr. Cunningham: Who paid for the recent trip to Vancouver for Toronto Area Transit Operating Authority officials?

Mr. Foley: I imagine the ministry did, but I don't know.

Mr. Gilbert: I remember the ministry paid for it.

Hon. Mr. Snow: Three people went.

Mr. Cunningham: Why did they go?

Mr. Gilbert: I guess I have to answer that from my own experience. About 20 years ago, when we first started widening Highway 401, Mr. Campbell representing the planning side, the late Doug Farren from design, and I went down to Chicago to look at a similar project. We went before we got really involved to see what we could learn, to benefit from their experience and avoid any mistakes they may have made.

From my own experience, those were the best dollars this province ever provided. The answer is the same here. I felt that from Mr. Johnson's point of view—and I am sure it is the same with TATO—that if they as an organization were going to handle a very large project for the province, then it would be well worth the time and the dollars spent for them to go and find out about it. They went out and spent over a day and a half learning. That experience will benefit the project we have to administer.

Mr. Cunningham: I have some questions. I would like to deal with them systematically.

They are on Vancouver, Scarborough and then Detroit. Is the Vancouver project running on budget at the moment?

Mr. Foley: The contract takes in the three fixed-price areas of vehicles and equipment, metrification train control and track and track works, special switches and that sort of thing. All of that budget is fixed-price to the client, and that part of the contract is running somewhere between 12 and 18 per cent under budget right now.

Mr. Cunningham: It is all under budget?

Mr. Foley: That part of it.

Mr. Cunningham: So the comments we have seen in the press, both in Vancouver and in the *Globe and Mail*, indicating that it was somewhere in the area of \$1 billion are not consistent with the facts at all.

Mr. Foley: I don't think they are consistent —

Hon. Mr. Snow: There are really two parts to the question.

Mr. Foley: The answer to your question is no, they are not consistent with facts.

The other two parts of it are what are called cost-reimbursable parts. That is an amount of money we get paid for the design of the actual guideway, the alignment, stations and so on. It is a design cost and our structure is that we get paid all our costs plus a fee. The reason for that is so the client can change what it is he wants to build, whether he changes stations or whatever.

As you may appreciate, the alignment and the location of stations are subject to municipal dialogue in Greater Vancouver, so there have been a number of issues that have related to relocating stations and changing the alignment. For instance, we were paid for all three of the designs we did for the Terminal Avenue portion. We had to design three separate alignments before they chose the one they would build. That is a cost-reimbursable one and, from the client's point of view, that cost is probably overrunning 10 to 15 per cent of his 1970 budget.

8:20 p.m.

Mr. Cunningham: Of what budget?

Mr. Foley: Pardon me, 1980 budget. It is an estimated budget on July 1979 costs. We have very little experience to predict the budget for the construction items at this point. Our total indicated costs to complete are generally in accordance with our estimates on the Terminal Avenue part, which is very close to one mile.

At this point, the guideway, the foundation, is on budget. The station is being designed around

a hotel now, a major development complex. It has been changed so significantly that those budget estimates probably don't have any recognizable form now.

Mr. Cunningham: That is the client's responsibility?

Mr. Foley: All of these are the client's responsibility, because when we design whichever alignment they choose on Terminal Avenue, our task at that point is to put the jobs out to public tender. Whatever the tendered price is, that becomes a fixed price.

They have changed a number of things, including the downtown deep tunnel stations. They had a discussion as to whether they would tunnel under Commercial Drive and they have now decided not to. Where they located the new dome stadium, the last 1,000 feet of the tunnel which would have been used previously is now blocked off and they have to re-excavate a cover tunnel. That is something like \$12 million to \$14 million.

To go back to your "in excess of \$1 billion" report, that number, as far as I can see, is all the construction funds at various interest rates that have been added to the cost of borrowing from 1979 to 1986. If you figure five or six years' interest, say, \$500 million, that can add virtually double the cost of anything within five or six years. That is what that report, I believe, was arguing.

Mr. Cunningham: What is the completion date?

Mr. Foley: The completion date is December 31, 1985.

Mr. Cunningham: And you expect to be done by then?

Mr. Foley: Yes. I believe the contract is tabled, but if it isn't it is available. The contract calls for three stages. The first one was to be finished by December 31, 1985. If we achieved that, there was a \$5-million bonus to be paid for that achievement. Then we had until mid-1986 to be at the completion of the total system before we hit zero bonus.

However, they have now come along and asked us to have a priority section of it finished. In other words, they are not concerned with having the total system for December 31, 1985. They want to make sure the system is finished between Nanaimo Street and the Seabus, which is the downtown segment of it. So they have changed our scheduled priorities, but we still believe we can have the whole of the system completed by that time.

Mr. Cunningham: Do you call the latter section pre-build?

Mr. Foley: The pre-build is what is going on. If you went out to Vancouver today you would see about a mile of what they call a demonstration guide. They would label that pre-build. It is on Terminal Avenue and it is just about one mile long. It has one station at Terminal Avenue right where they transfer 86—

Mr. Cunningham: What do you estimate the final cost to be as at December 31, 1985? Did you say 1984?

Mr. Foley: No, 1985.

Mr. Cunningham: What do you estimate the cost to be on that date?

Mr. Foley: I haven't got the number right now, but I think our portion of it is around \$585 million.

Mr. Cunningham: Let's talk about the Scarborough system. I would be interested to hear your explanation why the cost is now \$170 million. It was originally budgeted to be far less. The conventional light rail transit, which is the direction they were going originally, was far more favourable in terms of dollars. I don't think we have had an adequate explanation this afternoon with regard to why those costs have gone to \$170 million.

Mr. Foley: I think, Mr. Cunningham, you are aware that UTDC's responsibilities for the cost of the Scarborough project are totally related to the vehicles, and what is called the on-board part of the train control system. With respect to guideway, track electrification, right of way costs and station costs, we are not able to control the design of that and therefore are not responsible for those costs in any contractual sense.

With respect to the vehicles, I can easily provide the information on that basis. The vehicles were sold to Scarborough or the Toronto Transit Commission on the basis of a base-line Vancouver cost. In other words, they got exactly the same price as Vancouver did for those vehicles, which I think was around \$22 million, \$21.9 million of base price.

TTC requested a number of design changes ostensibly to do several things. One of the fundamentals was to provide a driver's cab and what we call a duplex-control system. That means that both the computer and the driver can control the vehicle. That makes the system much more complex because you have to be able to anticipate, and communicate to the

computer, what the driver might do with respect to the control of that vehicle.

Mr. Samis: Can I just interject? I went over the figures this afternoon and just want to confirm them with you. The modifications to accommodate that aspect have increased the cost about one third for the cars. Is that correct?

Mr. Foley: I do not know what number you were quoted this afternoon, but I think—

Mr. Samis: I think the figures I have with me range from \$24 million-odd to between \$47 million and \$48 million.

Mr. Foley: The \$48-million figure at this point is not the figure for the vehicles. It includes spare parts, training, manuals and a number of maintenance vehicles. I think what the number comes from is that TTC has put out a figure called rolling stock and that rolling stock includes spare parts for an inventory of spares. It then includes maintenance vehicles in the 48 vehicles for—

Mr. Samis: In the article it did say, in trying to explain the question of costs, that one third of the cost increase was due to the modification of the system, the human element. I just want to confirm that—

Mr. Foley: I cannot recognize a third; you are talking about \$7 million. That would probably, in my guess, be close to what we call the recurring costs of air conditioning and the actual physical changes to each vehicle, but it would not include the design costs related to actually doing that.

That brings us to the second point, all the additional design in the driver's cab to undertake the interline for 24 vehicles. I will give you an example. When you take the door controls away from the computer and put them in the vehicle, you need a cab in each vehicle because each one has to be able to control the doors throughout the whole train. So you add 70 more interconnects on the coupling, which means you need 70 more wires that are message circuits going through the car, to build the control doors on two sides of the vehicle so that from any position on the car you could control it and back into the computer.

In effect, you have duplexed a lot of the system and the design cost is greater than the nonrecurring costs. If you were writing off that cost over 200 vehicles, it would be a very low figure per vehicle, but when you write it off over only 24 vehicles, the design cost per vehicle is high. What we have said to TTC is: "If you want all this redesign, we are quite prepared to

provide it for you. You are the customer. We will write it off against the original order; if you purchase additional equipment, of course, those design costs will all be written off and you won't see the cost reoccurring in a future order."

I think the number you are referring to of about one third is what we call a recurring cost for both air conditioning, driver's changes and some of the other changes they want; for instance, doors, end doors, gates and so on.

Mr. Cunningham: The air conditioning was going in at about \$1.5 million.

Mr. Foley: No, I don't think so.

Mr. Cunningham: How much was it?

Mr. Foley: I haven't got the number right in front of me. I could get that number.

Mr. Samis: Just before we get off that, do you have to make any modifications to Vancouver in terms of that human element?

Mr. Foley: No.

Mr. Samis: None at all.

8:30 p.m.

Mr. Foley: Let me go back one step: the train-control system is controlling the train, it controls it on the tracks and in the stations with respect to all the onboard equipment, but it does not control the communication. For instance, if you want a voice communication from a controller somewhere in the stations into the vehicle that is the communications, it is not part of the control system.

In each of the properties, Detroit, Scarborough and Vancouver, the communication system is unique for that property. In Vancouver, we have added costs. They were not added in the sense of cost overruns, but the client was to define what he wanted with respect to communication systems, loudspeaker systems, television surveillance of station platforms, in the yards, the track and so on. Those are unique to each individual property, be it Vancouver, Detroit or Scarborough.

Mr. Cunningham: Generally speaking, the cars in all three places are the same?

Mr. Foley: No. Once you add the driver's cab to it, you end up changing the structure. The structure was designed basically for an energy-absorbing load, but in that part where the driver is now you have to change it so that the crash posts are moved eight feet forward of where they would have been before, and now there are anticlimbers on that vehicle. The vehicle's structure is changed significantly because that portion of the vehicle that would have been crushable

is now noncrushable and it has to withstand that load.

Mr. Cunningham: Is the Scarborough vehicle less energy efficient?

Mr. Foley: I will have to ask our engineers that question, but it is probably heavier, and I think additional weight to the Scarborough vehicle because of some of the structural changes, would make it less energy efficient.

Mr. Cunningham: One of the reasons for the existence of this company, of course, is jobs and jobs in Ontario. Let us just talk about the Vancouver car per se. What percentage of the equipment that goes into that car is manufactured in Ontario?

Mr. Foley: Let me tell you what is not and I think I can get a percentage.

Mr. Cunningham: That won't be helpful to me because I will be unable to subtract.

Mr. Foley: I will do the subtracting.

Mr. Cunningham: I do not know the sum total.

Mr. Foley: I am going to try to convert this in my head to percentage terms so that I can work backwards from it. May I make a comment? One issue faces UTDC constantly—in fact, there is a motion in front of the US Congress right now to pass an increased Buy American piece of legislation related primarily to offshore, including Canadian, competition in the US market.

We constantly judge how we can best allocate production between Ontario and a province such as British Columbia, which also has what might be classified as parochial ambitions with respect to its employment market and expenditure levels, and we have the same situation in Detroit. We have tried to meet those as best we can. The document you have in front of you shows that we have entered into an industrial sharing agreement with British Columbia with respect to the ALRT project there.

In respect to the vehicles, the entire car body and truck are being built in Ontario. I will try to assemble some sort of numbers for these.

Mr. Cunningham: They are both being built by companies that have never done that before.

Mr. Foley: I am not sure what I should infer from that.

Mr. Cunningham: Nothing.

Mr. Foley: The train control system, the computers, will probably be American-purchased because we cannot source them in Canada.

Mr. Cunningham: The International Telephone and Telegraph?

Mr. Foley: A subsidiary. The rest of what we call the control black boxes, which would be somewhere around 40 to 50 per cent of the total train control system, exclusive of cabling and the ducting activities, will be built in Guelph. The propulsion control units, which would be about 80 per cent of the propulsion equipment, will be built in Mississauga. About 70 to 80 per cent, I think, contractually of the brake systems and the brake control systems will be built in Ontario.

Mr. Cunningham: What company?

Mr. Foley: It is a series of subcontracts from New York Airbrake, and the assembly will be done with the company they have purchased in Canada. The doors and the door controllers are still being determined.

Mr. Cunningham: They were French-made, were they not?

Mr. Foley: I am not sure what that means in the sense that one of the suppliers is a company called Faiveley Ltd. which operates out of Quebec. It is a French-owned company. To that extent the propulsion system, the control system I have talked about, the power control units made in Mississauga, are supplied by GEC, which is a British company, not unlike Hawker Siddeley. The air conditioning equipment, I believe, at this point is by a company called Safety, which is an American company. They are contracting, I think, about 60 per cent of that for Canadian content.

We do not specify in our contracts, by the way, that this is Ontario content; we specify it is Canadian content. Obviously, all those axles, bearings and wheels are made in Canada.

Mr. Cunningham: Where is the rail from?

Mr. Foley: At this point we have not purchased it. We have purchased some special machinery or some special switches, which are German. Again, we cannot source those in Canada and we cannot talk anybody into manufacturing them, regardless of what the price is. The rail will probably be from Algoma Steel or it could be Cesco Electronics, depending upon how they roll. Both Stelco and Hamilton do not roll rail, so it will probably be one of those two companies.

The aluminum is Alcan. All of the aluminum forgings and castings are Canadian, except for the bolster or the truck frame, which is Alcoa, and that is because we do not have a machine in Canada that will make that size of casting.

Mr. Cunningham: There is no quid pro quo from the feds that for Vancouver you have to make your rail in Mr. MacEachen's riding?

Mr. Foley: No. Is it in his riding? He has not brought it up yet. Maybe I should stand by.

The British Columbia government has an arrangement with us where various percentages of things like the construction program, the equipment and so on are targets we have to meet. At this point we are either on or ahead of each of those targets.

Mr. Cunningham: Did you deal with where the motors are being made?

Mr. Foley: In Vancouver.

Mr. Cunningham: The ones for Scarborough?

Mr. Foley: All of them are.

Mr. Cunningham: Everything is being made in Vancouver?

Mr. Foley: All the linear motors are being manufactured in Vancouver.

Mr. Cunningham: Have you equipped these vehicles in your design for the option of rotary power?

Mr. Foley: No.

Mr. Cunningham: Not at all?

Mr. Foley: Not these ones, no.

Mr. Cunningham: So would it be safe to say today that under no circumstances will Scarborough, Vancouver or Detroit be powered by a rotary unit?

Mr. Foley: Our intention is that at this point the design is a linear motor design. The trucks are designed to accommodate that and the entire process is designed to accommodate that. There is no thought of intentionally changing it.

Hon. Mr. Snow: The first two cars for Vancouver are completed.

Mr. Cunningham: I understand that, but I asked some time ago in debate, when we changed the status of the company in 1980, if there was a possibility that we would be moving to rotary power. I believe the indication was quite clear that there would be no such move to rotary power. Yet, of course, for the lakeshore additions to the GO system, we see rotary-induced power, notwithstanding what the minister said in 1980. So I ask you today, will we be seeing rotary power on the Scarborough line, the Detroit system or Vancouver?

Mr. Foley: If you limit your question to those particular contracts that are under way now, the answer, as I stated, is it is not our intention and we have no intention of changing, nor are we

doing anything to make them rotary power, but there has been a lot of discussion and questions about what we are doing with rotary traction motors. I described in one of these handouts in 1978 the rotary traction program the company was undertaking. The issue we try to get into, of technology sort of having a colour and a preference, is not just the case. Technology will be applied on the basis of its economics. Linear induction motors that call for a portion of the motor in the guideway, require a density of vehicle to guideway that is economic.

8:40 p.m.

If I have 25 miles of guideway and one vehicle and I have to lay a linear reaction rail that entire length of guideway for one vehicle, it is cheaper to wrap the motor up and put it on board the vehicle into a rotary traction. If I do not have any particular grades or curvatures to overcome or any particular climatic conditions to overcome, then the economics of all of this change substantially.

We have and will continue to turn our development work into products and then market those products for both linear and rotary traction motors. We intend to have a set of technology that will meet the economics of any particular system.

Mr. Cunningham: Let us talk about your articulated streetcar for four or five minutes. Where are you bidding right now on that and what application do we see in terms of your articulated streetcar?

Mr. Foley: First, we are not putting in a bid for the articulated streetcar at present. There are two proposals we have begun to discuss with clients on a negotiated basis for the articulated streetcar, one of them being a Hong Kong project that is in competition with German, British and Japanese groups. That is a consortium we have with the Swiss, French and Canadian group.

That vehicle right now is under test on the Toronto property and they have asked us to extend the tests through to February. It was originally to culminate its tests this week, but it is now going to be tested on to February, primarily because we want winter testing exposure to it and so does the TTC.

There are a number of markets available for it. Right now we believe there will be bids coming up in Los Angeles and in Santa Clara, which is just outside of San Francisco. As I said, there is a program under way in Hong Kong,

dependent upon the British government, I guess, and—

Mr. Cunningham: Whom are you bidding with there?

Mr. Foley: BPC, which is a Swiss company; and a company called Dragages, which is a French construction company.

Mr. Cunningham: The three of you?

Mr. Foley: It is a consortium.

Mr. Cunningham: You were at Santa Clara. Where else?

Mr. Foley: There is a project under way now, dependent upon financing, in Kuala Lumpur, Malaysia. It is a very large project, which is specified as a six-axle articulated car. Then there are a number of other markets that are forecasted to specify six-axle articulated cars, both in the United States and elsewhere. I have not got the list in front of me. It may even be in this document. No, it is not here.

Mr. Cunningham: Aside from the articulated streetcar, what else are you doing internationally? What other applications are you looking at?

Mr. Foley: We have been looking for some time in the dock towns in the United Kingdom, in a partnership with Metro-Cammell, which is a British car builder. It would be an intermediate capacity transit type system for the dock towns. We are also discussing the project in Singapore with a number of Canadian companies. It is probably the biggest project in the world to date for a transit system.

Mr. Cunningham: What kind of technology?

Mr. Chairman: Could I interrupt there? We appear to have lost Mr. Samis again, as we had this afternoon. I think we have no alternative but to adjourn for this particular vote and see what his position is. It is the same as it was this afternoon.

Hon. Mr. Snow: I think the message he gave us when he left was to carry on.

Mr. Chairman: I really think it would be unfair to do otherwise, until we see what his position is.

Mr. Cunningham: I want the time added.

Mr. Chairman: For sure. We have one minute left, but it seems rather useless as well as unfair—

Mr. Cunningham: I would prefer to think it was the bell that has emptied the place and not the subject matter.

Mr. Chairman: I quite agree with you.

Hon. Mr. Snow: What is wrong with letting Mr. Cunningham get his questions out of the way? Then when Mr. Samis comes back, we can carry on.

Mr. Cunningham: I am inclined to think the chairman is right.

Mr. Chairman: I think that is fine. We asked Mr. Samis this afternoon what his position was, and he preferred that we did not carry on in his absence. We have no representative from his party or the Conservative Party here at present.

Interjections.

Hon. Mr. Snow: Are you and I not Conservatives any more?

Mr. Chairman: I mean voting members of the committee.

We will adjourn for a few minutes.

The committee recessed at 8:46 p.m.

8:55 p.m.

Mr. Chairman: We now have a quorum.

Mr. Cunningham: You made reference earlier, Mr. Foley, to the US Buy America program and indirectly to proposals before the US Congress now. While I have not read the bill, my understanding of it is that it would require that 90 per cent of the component parts, and cost of assembly, I believe, too, for people-mover systems, transit systems, would have to be domestically oriented, US-based. I would think that we probably could not get around it by virtue of our having a company called the UTDC-USA, could we?

Mr. Foley: No.

Mr. Cunningham: With that in mind and the list of component parts you have told me we are making in Canada and in Ontario, would it be unfair to suggest that if this becomes a reality, that market would be precluded from you?

Mr. Foley: First of all, it is not clear yet that this will include final assembly any more; the 90 per cent does not apply to the final assembly. The final assembly will be some sort of a final working together of pieces. As it stands now, however, it is a 50 per cent component set; 50 per cent of the pieces have to be of what is called US domestic origin. There is a funny sort of set of regulations that go into that. If you took a propulsion system apart, put it in boxes, shipped it back down there and then put it together down there, it would be considered of US origin.

Mr. Cunningham: Like Bombardier does in Barre, Vermont?

Mr. Foley: No, that actually is a final assembly facility; but I shall give you an example of where we believe a European manufacturer builds motors and other control components and actually ships the pieces into the US, assembles them and they become of US origin.

I say that there are ways in which you can move from, say, 50 per cent to a 60 or maybe 70 per cent with some of the vagaries of regulations. If it went to 90 per cent, however, it is very difficult to conceive how you could get around a 90 per cent component list.

With respect to the intermediate capacity transit system, we have never had a Buy America problem because the guideway, the stations and the civil structural component comprise more than 50 per cent. Automatically, because of the nature of that commodity, you buy it locally. Final assembly is then always the putting of it together. So ICTS naturally fell into the very happy consequence that the Buy America legislation never bothered us at all.

Mr. Cunningham: What about the new proposal?

Mr. Foley: With the new proposal, I would find it difficult to see how you could collect enough, although it would certainly be easier to do it with an ICTS product than it would be with a subway or a streetcar. Even under an ICTS product, though, whether we could get there at 90 per cent is very debatable. In my judgement it becomes close to impossible to think about an export market that has a 90 per cent protective nontariff barrier.

Mr. Samis: Could I ask you what Bombardier is doing? Second, presumably that has the status of a private member's bill, does it not? Is it not a bill introduced by a congressman in the House of Representatives?

Mr. Foley: Yes, but I do not know that the US system would put that as comparable to ours.

Mr. Samis: I am just groping.

Mr. Foley: I do not know that I should make a statement as to whether it will pass or not, but I think that at this time there is not enough support in the Congress for that bill. It is, nevertheless, a recognition of a sentiment which is strongly protectionist in the United States. I think it does not just go to transit but to a number of products, but it would be a very difficult bill for us.

Mr. Samis: Would they be exempt from the General Agreement on Tariffs and Trade?

They are hassling us on some of our restrictions; are they not susceptible to any form of control?

Interjections.

Mr. Foley: There are a number of issues at stake here, and one of them is that the Reagan administration basically came in in 1980 with a policy of what they called "no new starts." I do not know whether you recall the statements on the new federalism in the United States whereby certainly responsibilities would be passed back to the states.

Mr. Samis: All the Republicans have forgotten that. His very first policy statement was about a North American energy market.

Mr. Foley: With respect to the "no new starts" policy and the turning over of certain responsibilities to the state governments as opposed to having them administered by the federal government, it has opened the door for a number of state-run or state-passed protectionist elements and some of these come under a sort of umbrella of federal legislation. Those will be very hard to get at with a GATT protective type of operation.
9 p.m.

Mr. Samis: Do you have a little more information? What states have already done that, for example?

Mr. Foley: A number of them have introduced it. I believe New York introduced a bill. It never got through its legislature and the government process. I believe that two of the southwestern states have such legislation. I know it has been talked about in Indiana and Illinois.

Mr. Samis: Would it be equivalent in severity, let's say, to Quebec's legislation in a variety of areas?

Mr. Foley: I don't know enough about that.

Mr. Samis: If you're bidding for Hydro Quebec contracts, for example, you have to have your head office in Quebec.

Mr. Foley: No, it usually goes to percentages. It goes to what Mr. Cunningham was talking about with regard to a certain percentage of US origin. The interesting part about the state preferences to date is that they haven't really described that you had to do it in the state. It just had to be done in the United States.

The issue of whether GATT will protect even against a federal regulation is still very debatable.

Mr. Samis: Can we get back to Bombardier? Can you outline how they're coping with that?

Mr. Foley: First of all, on the 50 per cent

issue, if you breakdown a transit vehicle, about a third of it is propulsion systems, a third of it is components—truck and car bodies—and a third of it is other assembled systems. Once you procure the propulsion system in the United States, it's not too difficult to get a 50 per cent component in the balance of the equipment. In addition, that regulation only applies if it's federally funded, if federal money is in the project. To the extent that companies break apart the procurements, they can have some of the state money or local money and separate that out.

Mr. Samis: Is the New York project federally funded?

Mr. Foley: Some parts of the New York project are federally funded and some parts of it are state bond funded. Bombardier also has a plant in Barre, Vermont, at which it does final assembly. Of course, that plant, to some extent, is a direct result of this. I guess the Americans would say that was an element of success in the Buy America program in that there was an investment in Barre, Vermont, to accommodate the legislation.

Mr. Samis: I just want to ask one final supplementary and then give it back to Mr. Cunningham. How would you compare your position with Bombardier if the protectionist sentiment increases and it goes even more towards the 90 per cent figure? You have already outlined that the intermediate capacity transit system gives you a certain advantage, but overall how do you assess your capacity to adjust compared to theirs?

Mr. Foley: We have not bid or been involved in subway or what is called heavy rail operations at this point. I don't think anyone could operate extensively out of Canada in the US market if we had a 90 per cent component tariff law. Ninety per cent takes you back into virtually everything. It is not a question of what is finally assembled any more. You would end up having to buy all the steel, aluminum, axles, wheels, doors, door controls and cables. Then, by the time you've bought it all and shipped it up here, what you are doing with it is value added before you take it back down for final assembly.

I think Mr. Cunningham is right, that if you saw a 90 per cent number, it probably isn't economically sensible to ship it around while you do 10 per cent value added. I should stress I don't believe at the moment that legislation will pass.

Mr. Samis: I would be amazed if it did pass. Would it not be subject to any form of international sanction, adjudication or appeal, in view of the fact that they've taken us to some body in Geneva over our Foreign Investment Review Agency regulations and our energy policy? Surely they're open to some form of adjudication if they're going to get that protectionist.

Mr. Foley: I'm not expert enough on GATT and other international trade agreements to tell you what the sanctions could be.

Mr. Samis: I just recall the cowboy a few weeks ago on TV preaching the merits of free trade and fighting against the forces of protectionism.

Hon. Mr. Snow: Other companies are meeting in different ways the 50 per cent or whatever the limit is now. For instance, Ontario Bus and Truck Industries Inc. in Mississauga, which manufacture the Orion bus, have set up a plant in New York state. I'm not exactly sure of the location.

The funny part of that is that the main traction components of the bus, whether it's a General Motors, a Motor Coach Industries, an Orion, a Western Flyer or whoever makes the bus in Canada, the engine, the axle and the transmission are all US components. The diesel engines are manufactured in Detroit and the Allison transmission, the Eaton axle or whatever it may be. If you bring those in from the United States, as they are all brought in for the bus manufacturers here, and then ship that bus out, that does not count as US content even though it comes from the US. Once you bring it in here, it becomes Canadian content.

I believe the way Ontario Bus is doing it is it has set up an assembly plant in New York state. They make the bus shell in Mississauga. The body of the bus is shipped back because they don't want to duplicate the tooling. They have their jigs and everything here, so they make those parts here, ship the partially completed bus body to New York and then put that US-made engine, transmission, axle, seats and other finishing components into the bus over there. Those are US components anyway, whether they're put in the bus over there or here. Really, what they're doing is transferring some of the assembly to the US, although they're keeping their main production facility for the bus bodies here. They're able to meet their US requirement, and I understand they're doing quite well at manufacturing and selling buses in the United States.

Bombardier is doing basically the same thing.

Mr. Samis: I was going to say, it's a leaf out of the Bombardier book.

Hon. Mr. Snow: Mr. Gilbert and I and one or two others visited Bombardier's plant a couple of years ago. They were explaining to us their system where they're making the car bodies for the heavy rail cars, not subway cars. These are intercity cars they're building. They're shipping the car body over on a tractor trailer across the border into Vermont and then adding a lot of the finishing components, I believe the trucks and many other things—I don't know just what all—and assembling the car and doing the finishing of the car in the US. In that way they are meeting the requirements but still keeping a fair amount of labour and what not in Canada.

Mr. Cunningham: Just for the record, you would be interested to know that Bombardier has contracts for 117 commuter trains from New Jersey, which is \$100 million US; 117 subway cars for Mexico City at \$100 million Canadian; 26 tramways for Portland, Oregon, at a value of \$30 million US; and 10 light rapid commuter trains for Via at a value of \$100 million Canadian.

Another area they're involved in is military trucks. They're selling 2,767 of those to the armed forces for \$230 million. Whether they get a lot of American contracts in the future or not, they still are demonstrating some viability.

Mr. Samis: Were any of those acquired without federal financing in the United States?

Mr. Cunningham: The only area, I believe, that there was federal financing—

Hon. Mr. Snow: Some of those are Canadian contracts.

Mr. Samis: Yes. I'm asking, of the American ones, how involved the feds were.

Mr. Cunningham: The only one with American financing was the New York City subway thing, 825 subway cars to New York. Mr. Foley would know the cost of that program.

Mr. Foley: The 800 cars?

Mr. Cunningham: The whole contract.

Mr. Foley: I think those cars are \$800,000 a piece, \$890,000 in US dollar terms. It's around \$800 million Canadian. I think there was export credit financing for both Mexico and New York. I don't think there was export credit financing in New Jersey, but I'm not sure.

Mr. Cunningham: Earlier today the minister indicated that there was some doubt about our ability to compete. When I say "our," I mean the UTDC's ability to compete in Europe and Japan. Those markets might be closed to us. We

just talked about the difficulty with the Buy America program and the legislation that stands in the name of a US congressman that may or may not pass. They have a better chance of getting legislation passed than private members of the Legislature.

9:10 p.m.

Mr. Samis: That's not saying much.

Mr. Cunningham: I think I can comment fairly in that regard. Given the economy, the Third World countries are not in a position to involve themselves in major purchases. A number of Third World countries are right up against it right now. I don't know how Mexico is doing it, given its current financial situation, but that's not my problem. It's the Mexican president's problem, I suppose.

Mr. Chairman: Excuse me. Mr. Samis, I believe the vote is at 9:14. Is it your wish that the committee not proceed in your absence? This afternoon we had a little discussion about that.

Mr. Samis: I would just come back to the Buy America aspect. If Mr. Cunningham wants to proceed up to this level, that's fine.

Mr. Cunningham: Given the circumstances and the president's reticence to provide any form of extensive federal funding, just what is the future, at least in North America, of our company?

Mr. Foley: The best I can do for you is to give you my expectations and forecast. First, I don't necessarily agree with you. It depends upon how you define the Third World. There are two or three major projects in the Far East. Keep in mind, a project like the Bombardier New York order is a substantial project in terms of years to deliver. It takes a significant amount of capacity to deliver.

I believe there are half a dozen projects in the United States now—Los Angeles, Orange County, Houston and, to some extent, potentially Dallas. All of these are referendums that have passed one form or another of tax sources at the state level. These states have responded reasonably well to the Reagan challenge to transfer some of the burden from federal funding to state funding. In my judgement, those projects will proceed in the next five years.

I believe the five to 10-year forecast in the United States is very bullish. I also believe the Far Eastern market is strong, and I believe that to some extent there are selected markets in South America.

Mr. Cunningham: You say on page 5 of your

report, "If the UTDC and, indeed, Canada is to be successful it will need a high level of support from the Canadian government." Are you saying your success is contingent on federal support?

Mr. Foley: Sure. If I say it doesn't matter whether you have federal support, then the challenge becomes very difficult. There are a lot of federal areas involved where that could take place, but there are three fundamental packages. One of them is just sheer diplomatic pressure.

We have no customers in the world except governments. We do not sell public transit to any private corporation or any private citizen. Every one of our customers would be a government, whether it be a municipal, state, provincial or national government. In many countries of this world, government to government involvements and the kind of third product trade relationships are very important.

It is clear, just from the sheer international diplomacy side of it, that it is very important for the government of Canada to be a party to merchandising public capital goods, whether they be nuclear reactors, transit systems, water and sewage systems or whatever.

The other factor is that there is strong competition in the world markets for what is called concessionary financing. As a result of that, we've seen the New York project. It is clear that despite Bombardier's efficiencies and the ability to build a good product they would have difficulty merchandising New York in the face of French, German and Japanese concessionary financing.

There were some interesting bids just closed for the Bay Area Rapid Transit system which went to the French, and another New York proposal that went to the French, both of which involved concessionary financing by national governments. I have an article in front of me that deals with Sofretu, which is a state-owned company in France which has been selling public transit, based on Paris Metro, around the world since 1961 when it was founded. The French have made no secret of their ability to connect government financing, government diplomacy and government research and development, which is the third vector to a very successful international enterprise.

We have not relied on federal funding for research and development to any extent. There have been a few very small contracts, but it has largely been provincial government supported research and development.

With respect to the international market-

place, certainly our credit financing is largely Ontario based at this point, but we do need, and any company in Canada will need, to have the support of the federal government with those other two areas.

Mr. Cunningham: What were your contracts about with Cairo, San Francisco and New Orleans? You list in the annual report California and New Jersey. I wonder if we can go through it individually? What was involved?

Mr. Foley: In Cairo?

Mr. Cunningham: Yes. Was it an advisory thing?

Mr. Foley: In Cairo it was to plan a program which would help them plan the allocation of a major World Bank funding for public transit systems in Cairo. Cairo is in reasonably sad shape with respect to personal mobility, buses, maintenance facilities and so on.

We were asked to develop a five-year plan for the rehabilitation of the public transit system by developing priorities for their expenditure and then, with respect to specific priorities such as bus maintenance and rehabilitation programs, to help them design a maintenance facility and a rehabilitation facility, which I believe is now out to tender and in conjunction with Lavalin we are bidding that job.

Mr. Cunningham: You are associated with Lavalin?

Mr. Foley: To bid the job that is being tendered.

Mr. Cunningham: Through Metro Canada?

Mr. Foley: Yes.

Mr. Cunningham: What was the value of your Cairo contract?

Mr. Foley: Somewhere around \$300,000.

Mr. Cunningham: Was this accomplished with strictly UTDC personnel?

Mr. Foley: No. We had a number of personnel from Montreal. There were some Montreal transit authorities, a gentleman from the Calgary transit authority; the University of Toronto was involved through its joint transportation program.

Mr. Cunningham: Who was that? Dr. Silverman?

Mr. Foley: I'm not sure that Dr. Silverman was personally involved—he may have been—but I think there were other staff members on that joint program.

With respect to the San Francisco contract, I don't know what its total is now, but it is

probably over a million dollars, or very close to a million dollars. We've been involved with San Francisco for, I think, five years, which has involved a training program, a rehabilitation of their maintenance programs and a maintenance training and operator training program.

Mr. Cunningham: Is the contract with Bay Area Rapid Transit?

Mr. Foley: No. It's with the San Francisco municipal system.

Mr. Cunningham: Is this using personnel from outside UTDC?

9:20 p.m.

Mr. Foley: Both. In the early years there were people we brought in from outside, but in the last few years it was largely our services and advisory services group through a Mr. Bartram, who heads that operation, and a number of his people.

Mr. Cunningham: Have you hired anybody from TTC to do this?

Mr. Foley: Not to do that specifically. I can't tell you exactly how many, but I'd say there are probably a half a dozen who were formerly TTC employees that are UTDC employees now.

Mr. Cunningham: How about New Orleans?

Mr. Foley: New Orleans is a planning study of an application for a particular problem with respect to a ferry service across the Mississippi River, connecting it in with bus services and connecting it to the St. Charles streetcar system.

Mr. Cunningham: And the value of that?

Mr. Foley: I don't know. That's not very big. It's probably \$100,000 or so. I don't know exactly, but it's around that number.

Mr. Cunningham: And there was a reference to California.

Mr. Foley: San Francisco?

Mr. Cunningham: There is a separate reference.

Mr. Foley: Is that in the services?

Mr. Cunningham: Yes. It is on page four of your annual report, the third paragraph from the bottom.

Mr. Foley: That was some work we did with Caltrans, which is the state department of transportation, with respect to some planning work on light rail transit systems for San Francisco, Santa Clara and a number of communities. It was a transit planning type operation. All of that comes under the services companies advisory services work.

Mr. Cunningham: How much was that?

Mr. Foley: I'll get you that information. I don't recall the figure.

Mr. Cunningham: All right. Finally, New Jersey.

Mr. Foley: This is a job our US company has in assisting in the rehabilitation of fleets for the New Jersey dock which was an amalgamation of all the transit properties within the state of New Jersey. That's a US company contract as well. I don't know the amount, but I can get you that information.

Mr. Cunningham: I would be grateful. You also promised me once to get the Detroit contract, which I haven't got yet.

Mr. Foley: I tabled it.

Mr. Cunningham: I haven't obtained it. When you table it, the clerk gets it; I don't get it.

Mr. Foley: I was under the impression we sent both you and the New Democratic Party copies.

Mr. Cunningham: I don't believe I have a copy of Detroit's. I have one of Vancouver. I think I got Detroit's; I asked you for it. I did not ask the ministry for it.

Hon. Mr. Snow: I'm not sure I did table Detroit, but maybe I did. I don't recall.

Mr. Cunningham: I'd be grateful if you'd send me one.

Interjections.

Mr. Cunningham: I have a question now on your American operations. Are you contemplating setting up a manufacturing facility or an assembly facility in the state of Michigan or anywhere else in the United States?

Mr. Foley: I personally would not exclude it at this point in time, depending upon how we had to deal with the Buy America act, but there are no active plans to do that.

Mr. Cunningham: There's no condition associated with the Detroit contract at all?

Hon. Mr. Snow: Not for the Detroit contract.

Mr. Cunningham: Is the Detroit funding complete?

Mr. Foley: Yes.

Mr. Cunningham: Is it \$100 million?

Mr. Foley: Let me say it's complete. The letters of commitment are complete and authorized through the US administration. Each year the Congress, which is the House of Representatives and the Senate, have to vote the appropriation of those approved funds.

Mr. Cunningham: How much has been voted so far?

Mr. Foley: It is \$45 million or something like that.

Mr. Cunningham: That's \$45 million for the fiscal year 1983?

Mr. Foley: It would be for the fiscal year 1983-84.

Mr. Cunningham: They vote their money in advance? That's their custom?

Mr. Foley: Yes, that's right. In September or October this year the House allocated an additional \$28 million and the Senate had a different number. The compromise committee which is meeting now just passed the resolution on this project about three days ago, and I think there was \$5 million less than was put into the original estimate. But the program is funded and the amounts voted by the House and the Senate are the full amounts that can be spent in the project as it is moving forward. There is no cash shortage in the project.

Mr. Cunningham: My understanding was that it is \$45 million for 1983, \$30 million for 1984, and \$4.5 million for 1985, but I could be wrong.

Mr. Foley: I think it was \$45 million for 1983, was it not?

Mr. Cunningham: That is right, that is what I said.

Mr. Foley: Okay, I think \$40 million was voted.

Mr. Cunningham: So this project is going to go ahead when?

Mr. Foley: It is going ahead now.

Mr. Cunningham: Right now?

Mr. Foley: It is being built. We are into final alignment. We have done some test holes in the streets of Detroit now for soil testing. The project office is operating. I think we are 30 per cent through the design stages now.

Mr. Cunningham: How many people have you hired from Hawker Siddeley Canada Inc.?

Mr. Foley: I don't know, probably 10 or 12; something like that.

Mr. Cunningham: Of the 467 some-odd people you have?

Mr. Foley: I am just trying to recall names and individuals, but I think that is a reasonable guess. I would not guess it is more than 20 at a maximum.

Mr. Cunningham: TIW Industries Ltd. and Bata Engineering are going to be responsible for the manufacture and assembly of some very vital components of your equipment. Their role in this is very major, yet they have never done

this before. Do you have any concerns about that?

Mr. Foley: No, VentureTrans Manufacturing Inc. is manufacturing the vehicles. I do not have any concerns with that.

With respect to Bata, I think they have probably one of the highest qualified machining facilities around. They met all the qualifications and were the lower bidder on the project. It was not an unqualified bid. You had to be a qualified bidder with respect to the quality control procedures, and you had to have the machinery to do this kind of work. I think they have done much more complex work than this would require and have done it very well.

Hon. Mr. Snow: Mr. Cunningham suggested this afternoon that they also made shoes and that if this transit does not work, the shoes might be marketed.

Mr. Foley: The company that is doing this is a machinery company that actually builds the machine tools for an automated shoe facility. Their technology has been to build machinery as opposed to building the end product, the shoe.

Mr. Cunningham: Have we been given a note as to whether any of the votes are—

Mr. Chairman: Yes, I have received a note from Mr. Samis—it is rather humorous, actually—that he has been caught again by his whip—those were his words—and we are to proceed without him.

Mr. Cunningham: Is there any indication whether we are heading for the big vote?

Mr. Chairman: I think there is a vote, which I have sent Mr. Barlow to check on, at 10:15, of all the remaining sections in the bill.

Mr. Cunningham: My last series of questions really relate to my interest in sailing. I thought you guys were diversifying when I read that article in the *Globe and Mail*.

Hon. Mr. Snow: That is another means of transportation.

Mr. Cunningham: Apart from the fact that three of your people in the Kingston office would take it upon themselves to write a letter to the editor—it took up the better part of a page, I see, in the Kingston paper—defending Miss Nutter's \$17 cab ride to this compendium of information relating to the yacht club itself, what really interested me in this thing was the justification of it yourself *ex post facto*—that is Latin for after the fact. Why would you take it upon yourselves six months—

Hon. Mr. Snow: I quit high school when they taught Latin.

Mr. Cunningham: I passed grade 10 in Latin on the promise that I would not take grade 11.

Hon. Mr. Snow: When I started into grade 10 Latin that was too much for me. I decided I could do better things in life than learn Latin.

Mr. Cunningham: Did you quit Latin or quit school?

9:30 p.m.

Hon. Mr. Snow: Both.

Mr. Cunningham: It almost reminds me of the story *The Verger*, by Somerset Maugham—we will not get into that story.

Mr. Chairman: Does that have anything to do with the estimates?

Hon. Mr. Snow: About as much as some of the other things that have come up.

Mr. Cunningham: I would be interested in your view with regard to whether or not this is absolutely necessary but, more important, your decision to inform your minister somewhat after the fact. You may answer the questions in the order you prefer.

Mr. Foley: First, if I can just make a quick comment with respect to your concern about our staff writing letters to the editor. Our staff are unconstrained with respect to writing letters to the editor. If they wrote those letters, we assumed they were offended by the article. They will not be stopped from writing letters to the editor at any point, by me or any of the other management of the corporation.

With respect to whether the expenditure and the program were necessary, I and the balance of the staff became concerned about the amounts of money that would be necessary to support the training mechanisms and other activities for the support of sales of ICT systems. We have to sponsor some 9,000 training days throughout the total of the project, many of which have to be done in Kingston because it is the best facility available to teach the train control system to prospective supervisors and train control operators.

At present, our costs run somewhere around \$48,000 a year to house and accommodate those people some distance from the site. In addition to that, I do not know the exact number, but there is a report, which we have provided to your office and to the New Democratic Party's office, with respect to the numbers of visitors we had from overseas. When we looked at how best to accomplish our requirements for housing and

accommodation, including meal services, this appeared to be the best and cheapest option.

At the same time, the government of Ontario and the government of Canada engaged in a program to encourage recreational facilities and tourist facilities throughout Ontario, but some of that project had been allocated to eastern Ontario. There was a facility that was within a few minutes of the test site that was planning to put up accommodation for the tourist trade.

We were approached by them as to what we would do to help support their enterprise. Recognizing that it was government policy at two levels of government in Canada to support that kind of enterprise, we thought our expenditures, added to what the community in general would spend there, would make a viable business for them.

Mr. Cunningham: Is it viable?

Mr. Foley: I believe so. Actually, it is up to them to determine whether it is viable. We have a fully secured operation and, to that extent, that was the second test where we were able to secure our operation and expenditure. In addition, there were some 25 jobs in the private sector at stake.

If we added the volume of business that we would have for those sorts of facilities to a private sector operation, rather than undertake the construction of our own, in even a cafeteria form, it would add to the community's available facilities. It would make a more viable business than it would otherwise have been.

We could not see why we should counteract both the federal and provincial governments' policy towards encouraging tourist facilities by capturing our own demand and providing it ourselves.

Mr. Cunningham: You have a world class yachting facility 20 miles down the road?

Mr. Foley: It was not the yachting facility we were interested in; it was the dining room and the accommodation facilities. We have no interest in the fact it happens to be a yachting club. They combined those functions with a yachting club, and that makes a part of their business viable for the tourist trade. We do not consider ourselves interested in that portion of the facility at all.

Mr. Cunningham: So for your investment or prepayment, you get two and a half bedrooms?

Mr. Foley: We have a four-bedroom facility. It has the potential for a dormitory accommodation for eight people in training.

Mr. Cunningham: Are people being still subjected to your self-admittedly rotten vending machine food?

Mr. Foley: Yes.

Mr. Cunningham: Those are people who do not belong to the yacht club?

Mr. Foley: No, it includes myself when I don't have a chance to go there, when I have to indulge in packaged food because of meetings or other pressures of business.

Mr. Cunningham: When I was invited I thought Mr. Bell would arrange for some beautiful Danish sandwiches.

Mr. Foley: Danish sandwiches are very expensive, but we wish you would come more often so we could indulge our chef.

Mr. Cunningham: That's the last time I was invited.

Mr. Foley: You are invited anytime.

Mr. Cunningham: I really want to try this goujon of sole, sauce tartare—

Mr. Samis: I came in at the right time.

Mr. Chairman: We've left Saudi Arabia and we are now at the yacht club.

Mr. Samis: It sounds more tranquillizing.

Mr. Cunningham: We've docked, George, and—

Mr. Samis: We're looking at the menu?

Mr. Cunningham: We're going to have goujon of sole, sauce tartare—

Hon. Mr. Snow: It sounds better than the cold sandwich I had for supper tonight.

Mr. Cunningham: —and beef brochette with hunter sauce.

Mr. Samis: This is for the MPPs?

Mr. Cunningham: For dessert, which I don't eat, you could have what looks like profiteroles, but I'm sure that Mr. Mancini could help me with the pronunciation. It's my hangup, I guess, on the bottom. It says "profiteroles au chocolat" and I am advised that they have quite attractive French wines. Until we're invited down there again, I guess we just won't have the opportunity of enjoying your hospitality.

Mr. Foley: Mr. Chairman, I would love to extend an invitation to Mr. Cunningham and Mr. Samis to join me in the dining room to show them the rather modest club and the potential on the menu for relatively cheap meals.

Mr. Cunningham: It says here the government also guarantees to spend \$78,000 on meals for the first year. I just want you to know that

Mr. Samis and I in the course of lunch or dinner or both can probably work that down to \$77,950 or something like \$77,925.

Mr. Foley: Could I just make a correction? The government hasn't guaranteed anything, the Urban Transportation Development Corp. has, with respect to that.

Mr. Cunningham: UTDC has?

Mr. Foley: Yes. If I could, I would just explain to you that the amount quoted there is absorbed. In effect, we will not have to pay anything on the guarantees. In addition, during the first three weeks of operation of the accommodation facilities, between out-of-town guests who came from California and overseas, plus our clients from Vancouver and Detroit, in a three-week period the accommodation cost us \$500, which is the monthly rental. Equivalent accommodation in the Kingston area would have cost us \$1,720 for those same visits.

Mr. Samis: Where do you put them up in Kingston, the 401?

Mr. Cunningham: Do you mean that these people pay their own way? Your guests pay their own way?

Mr. Foley: To the extent that it's accommodation for training, we bill the client for the training and their accommodation and food. Vancouver, for instance, has a contract with us where we train their operators, supervisors, management and so on. To the extent that they come down and we have the ability to bill them for that, yes, we do. To the extent that it's a marketing visit—

Mr. Cunningham: If I'm from Dallas and I run the transit system, are you going to send me a bill?

Mr. Foley: If you're a client, we will. If we're marketing to you, no.

Mr. Cunningham: They're not on the client list?

Mr. Foley: Not at this point, no.

Mr. Cunningham: So if I come from Dallas—

Mr. Foley: Then we would pay the bill, as we would whether you stayed in Toronto or whether you stayed in a motel in Kingston or anywhere.

Mr. Cunningham: The only other question that you haven't answered is why you indicated to the minister after the fact that you got involved in this. Did you not take it upon yourself to get into a discussion of that before you did it?

Mr. Foley: No, this particular proposal was submitted to and approved by our board of directors. The report, which I think you have, was dated and accumulated over time. It was submitted to our board, and after the board approved it and the arrangements were put in place—I think you're aware that there were two or three contractual reviews and revisions—none of it was finalized until some period after my letter to the minister.

In fact, I believe the contract in its final form was negotiated and completed extensively along the lines reported in that report. It has been very close to them, if not identical, but the final contract was not signed until after that.

9:40 p.m.

Mr. Cunningham: If it was a board decision, why would you write to the minister at all?

Mr. Foley: Because I meet with the minister on a reasonably regular basis and at least attempt to advise him about the activities of UTDC and what's happening with respect to projects we're undertaking and the status of the existing projects outstanding.

Mr. Cunningham: Thank you.

Hon. Mr. Snow: That's our policy if possible, although it's impossible to do it on a precisely regular basis. Generally, Mr. Gilbert and I meet with the chairman and managing director of TATO for instance, on a monthly basis, and with the chairman, Mr. Rowzee and Mr. Foley on a monthly basis, to have a two-hour review usually from 7:30 a.m. to 9:30 a.m.

Usually with UTDC, we try to do it the day following the board meeting. When Mr. Rowzee is in town for a board meeting we have a progress meeting with Mr. Foley and Mr. Rowzee to report to me and Mr. Gilbert on the current situation on a number of matters. This has to be waived or changed from time to time because of schedules. If Mr. Foley and Mr. Rowzee have other commitments, we try to reschedule it as closely as possible. Basically, we try to have monthly reporting meetings of the corporation to Mr. Gilbert and myself.

It's somewhat of a different situation. I feel perhaps as the shareholder, the only shareholder of UTDC in right of Ontario on behalf of the Queen—in fact, in my 30-some years in a business career, I've never been the sole shareholder of a company yet without being a director. In this case I am. I get all the information that I ask for, of course, from the corporation.

Mr. Cunningham: At this point may I have one more question?

In the Provincial Auditor's report—and I have raised this as a matter of privilege in the House—he, of course, has sought the opinion of the Attorney General (Mr. McMurtry) with regard to the efficacy of examining subsidiaries of crown-controlled corporations. I appreciate the argument about whether or not the UTDC is a crown corporation and just what it is. It is very hard to explain what you are. I have some different ideas about what you guys are sometimes.

Hon. Mr. Snow: Don't apologize, please. Spare us.

Mr. Cunningham: The auditor has written the Attorney General on this and, thankfully, the Deputy Attorney General has responded and favoured us with his legal views. They maintain that the Provincial Auditor's status in auditing these individual agencies is dubious. In fact, I could quote him from page 105.

Hon. Mr. Snow: Which auditor's report is this? Is it the one that we just received a week ago or the previous year's?

Mr. Cunningham: March 1982, the current one.

Mr. Foley: Which page, 106?

Mr. Cunningham: Yes, page 105 to 106. I have raised this one. This is a question I don't think you could answer. It's directed really to the minister. The Deputy Attorney General says to the auditor, by letter of June 21, 1981: "It is our view that there is some difficulty in characterizing the subsidiaries you refer to as crown-controlled corporations. It is our view that ownership of the shares of the subsidiaries would be held to be vested in the parent corporations and not in Her Majesty in right of Ontario. This interpretation is not free from doubt. I would recommend that the matter be clarified by an amendment to the legislation."

Then they list corporations, including Metro Canada Ltd., Toronto Transit Consultants Ltd., UTDC Research and Development Ltd., UTDC Services Inc., UTDC (USA) Inc. Have we left any out? They seem to be growing. There is always a new one every year. There are five, anyway.

Frankly, for my part, as a steward of public funds I would very much appreciate it if the auditor would examine these corporations and report to the Legislature with regard to their stewardship. I do not feel it's appropriate that all they get is the consolidated statement made in your annual report. That's a comment directed to the minister. I don't know if the chairman can respond.

Hon. Mr. Snow: It is my understanding that Coopers and Lybrand are the auditors of the Urban Transportation Development Corp.

Mr. Cunningham: That's right.

Hon. Mr. Snow: Coopers and Lybrand also audit all the subsidiaries. Coopers and Lybrand also consult with the Provincial Auditor on the audit of all the subsidiaries, in addition to the audit of UTDC, which is a consolidated financial statement of UTDC, including all the subsidiaries.

Toronto Transit Consultants Ltd. is not a subsidiary. It is a Toronto Transit Commission company, basically.

Mr. Cunningham: You said it's defunct?

Mr. Foley: The TTC has taken it over. It's a dormant company.

Mr. Cunningham: Okay.

Hon. Mr. Snow: Toronto Transit Consultants Ltd. was a company which the TTC set up to offer consulting services. They were being asked for a price and were giving a great deal of free advice to many places and felt that they should have a corporation where they could do consulting services, and they set it up. I guess UTDC was a partner in that at one time.

Mr. Foley: Actually, what we did was set it up with the TTC. That was during Mike Warren's reign. There was some concern at Metro council as to whether they wanted the TTC to operate in that matter. We have agreed to give TTC the name and the corporate seals and books, and it's all transferred to them. Whether they're going to make it operative or not, I don't know.

Mr. Cunningham: That's not my question.

Mr. Foley: No, I understand that.

Mr. Cunningham: My question was to the minister. I expect, of course, that these subsidiaries would be audited. It's no surprise that it's audited by Coopers and Lybrand, who audit the umbrella company, if that's the correct way of phrasing it. That's entirely logical.

The auditor, it would appear, is precluded from auditing these things individually. It appears that the auditor does not have the right to audit any of those companies individually to look at their individual operations because of this doubt expressed by the Deputy Attorney General in his letter of July 21, 1981.

This doesn't just apply to the UTDC. It also applies to Minaki Lodge Resort Ltd., Minaki Development Co. Ltd., Thunder Bay Ski Jumps

Ltd. and some subsidiaries of Ontario Energy. You've never heard this?

Hon. Mr. Snow: It is my understanding from Mr. Foley that the Provincial Auditor reviews the audits of these subsidiaries every year. He is recommending here an amendment to the Audit Act to clarify this matter, which, of course, comes under the Treasurer (Mr. F. S. Miller) and not under this ministry.

Mr. Cunningham: I know that. Are you saying to me that the auditor has, in fact—not your auditor, Coopers and Lybrand, but the Provincial Auditor—audited UTDC (USA) Inc.?

Mr. Foley: It would be an unfair statement to say yes directly. What happens is that Coopers and Lybrand does what is called a base audit; it is done with base documents and so on and these then become auditors' working papers. These are very comprehensive papers.

Then the Provincial Auditor comes in. Rather than doing all the base documents down to each invoice, he sits down with Coopers and Lybrand's audit staff. They review the whole thing, from all the subsidiaries, all the transactions, all the projects, everything that goes on. He then submits to Coopers and Lybrand a list of questions that he wants answered.

As I said last year to the standing committee on public accounts, we're quite happy to have the auditors work with the Provincial Auditor, and that's what's happening. Rather than have two separate auditors working independently of each other, they work together.

Mr. Cunningham: What he's saying in the report here and what they've said before, and they're on record as saying it, is the reason they seek an amendment to the Audit Act would be to permit them to look into the UTDC Research and Development if they feel, in the public interest, they want to take a look at it.

9:50 p.m.

As it stands right now, based on the advice given by the Deputy Attorney General, they have no right to do that. They can deal with you directly, as the umbrella company—

Mr. Foley: No. I am sorry, I am not trying to be a legal mind here, I am simply saying that as a matter of practice what is suggested in these two papers has, in my view, not prohibited the Provincial Auditor from dealing with the subsidiary corporations of UTDC. They have been involved in a review of working documents and base papers of each of the subsidiary corporations, except for the US company, and I don't know why that would be.

Maybe they don't have a right to do it and it is strictly voluntary on the part of Coopers and Lybrand and the UTDC, but it has happened in two consecutive years and is almost a matter of form to us. I don't take issue with the legal statement, but as a matter of practice—

Mr. Cunningham: Because your subsidiaries are wholly-owned subsidiaries—correct me if I am wrong—of what I characterize to be a crown corporation owned by the state, in entirety I believe, you either morally—

Hon. Mr. Snow: I always look upon it as my personal corporation. I am the only shareholder.

Mr. Cunningham: Wait until you get to the last page of the annual report that deals with this bid bond you are required to put up in—

Hon. Mr. Snow: I am personally responsible.

Mr. Cunningham: You are probably the only guy in cabinet who could.

Mr. Gilbert: Mr. Chairman, is this to do with everything or just the projects that we in the ministry fund?

Mr. Foley: It goes to Vancouver, it goes to Detroit—and the questions and the review go to the total operation of all the subsidiaries and the parent corporation.

Mr. Cunningham: That is only based on your benevolence, which I read about in the paper all the time.

Mr. Foley: That may be true.

Hon. Mr. Snow: We run a very benevolent dictatorship.

Mr. Eakins: If it requires an amendment to the Audit Act, would you pay for that?

Mr. Foley: I would have no opinion.

Mr. Eakins: You say you have no opinion. You should have one.

Mr. Foley: I don't.

Mr. Eakins: If you are running it, why would you not have an opinion? Why wouldn't you say, "Yes, I think it would be much better"?

Mr. Foley: Because I do not understand the legal problem referred to here. Obviously the Deputy Attorney General does.

Interjection.

Mr. Cunningham: Technically, you could tell these people to take a hike if they walked in and wanted to take a look at Metro Canada, UTDC (USA), all that stuff. Technically you have that right, according to our Deputy Attorney General, whose opinion, of course, we all revere.

Hon. Mr. Snow: I can assure you that, as long as I am minister of this ministry and responsible for UTDC, they would not have that right.

Mr. Cunningham: Frankly, I find that a very haphazard way of doing business.

Hon. Mr. Snow: The solution is recommended by the auditor.

Mr. Cunningham: That is right, and of course he has recommended it again in his annual report, because nothing has happened since the last report.

Mr. Eakins: Does the minister support that recommendation?

Hon. Mr. Snow: I have no problem with the recommendation at all. Certainly I, as the minister responsible to the Legislature for UTDC and its subsidiaries, would want a full audit by Coopers and Lybrand, which happen to be the auditors of the whole operation, and which I think is a very good firm. I also would certainly want the Provincial Auditor to have access and audit the total operation, not only UTDC but the subsidiaries, because basically, with the structure as it is now, the subsidiaries are the main operating companies.

Mr. Cunningham: That is right. And all he can do is get access with an amendment, is that right?

Hon. Mr. Snow: There is no doubt that he has access in the way we operate; now he is saying, based on some opinion of the Deputy Attorney General as I read this, that subsidiaries of crown corporations—and there is some doubt as to whether UTDC is a crown corporation and socially owned by the public of Ontario—be included in an amendment to the Audit Act.

Certainly I have no objection to the suggestion, and would encourage the suggestion, of the Provincial Auditor that the Audit Act be changed if this change is necessary.

Mr. Cunningham: Do we have your commitment that you would advocate that in cabinet?

Hon. Mr. Snow: I certainly have no objection, and I will certainly speak to the Treasurer about that, because I feel myself, as the minister, that the Provincial Auditor should have full access and opportunity to audit, not only UTDC but any of its subsidiaries.

Mr. Cunningham: It would regularize the situation that at this point is in some doubt and—

Hon. Mr. Snow: Did the public accounts committee recommend this?

Mr. Cunningham: I believe so.

Hon. Mr. Snow: He says here: "We suggest that if there were the desire of the Legislature that such subsidiaries be treated as crown-controlled corporations, an amendment to the Audit Act be recommended by the standing public accounts committee. It is expected that this subject will be covered during the fall meeting of the committee dealing with accountability of crown corporations."

Mr. Cunningham: Were you on it?

Hon. Mr. Snow: I haven't been on the public accounts committee for the last 12 years.

Mr. Cunningham: We'd love to have you back.

Hon. Mr. Snow: I was there for a period of time; I was vice-chairman at one point.

Mr. Cunningham: We would make you chairman, based on all the experience you have had with this government. You are well qualified.

Hon. Mr. Snow: It is a very important position. If you have the position of vice-chairman, you don't get any pay.

Mr. Cunningham: I am well aware of that, too.

Mr. Foley: If I might make a comment in explanation: An audit is a very expensive activity and all of our clients have the right to audit us as well. For instance, Vancouver, Detroit, the US government, and our federal government can each audit. We entered into an agreement with all of those clients that Coopers and Lybrand's base documents, their basic chart of accounts and all of these activities, will be made available to all of these people, whether it be for the purposes of the US government's audits or the British Columbia government's audits.

What happens now is—

Hon. Mr. Snow: You might say our life is an open book.

Mr. Cunningham: Isn't that great?

Mr. Foley: We even audit part of our projects in internal audit.

Mr. Cunningham: Do you mean to say your working papers are available to all those people?

Mr. Foley: Yes.

Mr. Cunningham: Are they available to members of the Legislature?

Mr. Foley: I guess with certain disclosure covenants.

Mr. Cunningham: I do not want to know the proprietary costs of the world-famous linear induction motor so I could tell the world what it

is and thereby undermine your competitive base, but I would be very interested in it.

You see, I can look under other costs or other expenses for the Ministry of Transportation and Communications and find out they have hired Harry's Advertising Inc. for \$450,000, or someone else, and I can comment on that as a steward of public funds. With you people, however, I do not have that luxury, and it would appear that neither does the auditor.

Mr. Foley: I disagree. He may not have the right, but he certainly has the luxury.

Mr. Cunningham: I would like to see his luxury legalized.

Mr. Chairman: I give the floor to Mr. Samis, who is back.

Hon. Mr. Snow: I think I should write to the provincial Treasurer, and I will make a commitment to do so, bringing this matter to his attention and suggest that certainly I have no objection if he wishes to expand the Audit Act to include subsidiaries of the crown corporations.

Mr. Cunningham: I am glad you said that, because that certainly was not the intention of the legislation when we permitted all this in the first instance.

Mr. Samis: I don't want to repeat everything that Eric has brought up, so that doesn't leave very much.

Mr. Chairman: He has covered just about everything.

Mr. Samis: I gather the waterfront has been covered, including the yacht club and the menu.

Hon. Mr. Snow: And the price of wine.

Mr. Samis: That too?

Hon. Mr. Snow: Unfortunately we didn't get any samples.

Mr. Samis: Can I just ask if you are still in business with the streetcars, now you have completed your contracts here?

Hon. Mr. Snow: Yes.

Mr. Samis: Any prospects? You were dealing with Pittsburgh, as I recall from your appearance at public accounts.

Mr. Foley: Yes, we put in a bid to Pittsburgh, but the contract was awarded to Siemens in Germany.

Hon. Mr. Snow: We were the second bidder, if I remember rightly.

Mr. Samis: You did lose on that?

Hon. Mr. Snow: In 35 years in the construc-

tion business I only got one job as second bidder.

Mr. Samis: Don't look at the opposition members and say that.

Could I just ask what effect the interest rate structure is having on your competitive ability now, vis-à-vis the Japanese or Europeans? Does it have any effect? I noticed that before the public accounts committee you were saying it is desperately difficult to finance them, especially with the Europeans, the French, if I am not mistaken—

Mr. Foley: We are in a joint venture consortium with a French company. It was interesting to be on the other side of the fence with them, and watch their financing mechanism work on our behalf. The French concessionary rates are still very attractive.

10 p.m.

Our commercial rates here were 18 per cent versus where they are now, which is 12 per cent; obviously we have had a big gain. It is not nearly as difficult now, as I think the issue with the Bombardier contract in New York illustrated. When that job was bid, a nine per cent interest rate was very attractive to New York. As the rate structure started to fall, there was some question as to whether it was needed.

Obviously, as the rates are falling it is helping us a great deal.

Mr. Samis: Do you find those nationalized banks behave any differently from those pure, private, capitalistic banks?

Mr. Foley: Our banks are very difficult to deal with in export markets.

Mr. Samis: You said you worked in conjunction with the French, and I presume that 90 per cent of their banks are now nationalized. You are intimating there is no difference at all in the way they operate.

Mr. Foley: It hasn't been noticed by us.

Mr. Samis: It has been observed by others that there is no difference. This is rank heresy for our party, obviously.

Can I just ask you about one statement on page 12 of the presentation you gave us dealing with sales in the United States? Near the bottom of the page it talks about the Reagan administration's policy. You had some statement there, "However, it has provided financing alternatives to allow the states to utilize commercial financing at very beneficial rates." Is that what you were alluding to about an hour ago?

Mr. Foley: It was part of it. This is going to end, by the way, on March 31, because it has become too successful.

If you look at the Bombardier New York deal very closely you will find that in some of these arrangements the property will lease the vehicles. The supplier will sell the vehicles to company X, which may be IBM or it may be another company engaged in distilling or brewing activities or something. That company will then lease those vehicles back to the property, stripping out the capital cost allowance on the way through. It is called a tax leverage lease.

The Reagan administration basically set up a policy whereby private companies could capture this tax adjustment and offset it against other income, income from a distillery or brewery and so on. Thus they could lower their tax yield by in effect taking ownership of public capital goods.

That provision of the US Treasury operation ends on March 31, 1983.

Mr. Samis: When did it commence?

Mr. Foley: I think it was in 1981. I have not got the exact date.

Mr. Samis: The Reagan initiatives.

Mr. Foley: Exactly. A lot of buses were bought, and the capital cost allowance was transferred to private corporations. It allowed state and local organizations in effect to issue a tax-free bond. It was so successful, however, that it has been ended, because it raids the treasury.

Mr. Samis: What do you foresee following that now that they have swung in both directions?

Mr. Foley: The latest proposal that Reagan has put on the table is for a five-cent gasoline tax, of which certain portions would be allocated to the states for rebuilding highways and transportation systems.

Hon. Mr. Snow: Four cents goes to highway reconstruction and one cent to transit.

Mr. Samis: They have provided one cent for transit then?

Mr. Foley: Those are the guidelines at present. Whether they become law in exactly that percentage—

Mr. Samis: There is a specific provision in the proposal.

Hon. Mr. Snow: It is only a proposal though.

Mr. Foley: There is also a provision which allows certain funds to be taken out of the highway trust fund and transferred to transportation projects in general. That allows certain

funding of transit. These funds tend to be allocated on a state by state basis, and they tend to be handled differently in the southwest, northeast and so on. Some of them are used for maintenance.

Mr. Samis: I will not go over the Vancouver and the Scarborough projects. I presume you talked about the Detroit situation as well, did you not?

Mr. Cunningham: Not very much.

Mr. Foley: It is coming.

Mr. Samis: May I ask one question on that, without becoming repetitive?

Mr. Cunningham: The only point I would like to add about the Detroit thing was, who wants to ride on it alone at night when it is automated?

Mr. Samis: Beyond that, is the financing guaranteed in the United States? Have all the obstacles been cleared with congress?

Mr. Foley: Yes. I answered that question from Mr. Cunningham. The financing gets voted every year, year by year, but there is a commitment letter and a commitment contract from the administration to the state.

SEMTA, the Southeastern Michigan Transportation Authority, is a state agency, so in effect it is not unlike here, where each year the funds have to be voted and the appropriations have to be voted separately, even though the minister enters into a long-term contract.

There is a clause in the contract that says if the House and the Senate do not vote the appropriation then they can cancel, but then they get charged with cancellation costs and other termination costs, including profit guarantees. So they always have to plan the process so you get enough money left to stop it and to pay the profits.

Hon. Mr. Snow: But basically you have a complete go ahead now.

Mr. Foley: That's right. This is—

Mr. Samis: Virtually foolproof.

Mr. Foley: Obviously, the whims of government can be whatever they are and to that extent it is not foolproof.

Mr. Samis: Mr. Reagan didn't do very well in Michigan, did he, to accommodate the opposition at mid-term elections and run for the Democrats?

Just one quick question on the whole Kingston scenario. Sorry I missed the whole menu. I'll check Hansard very carefully. The next time I drive by there, I will take a closer look when I am near Bath.

Was there any other facility available in the Kingston region? You are obviously very aware of the connotation of the words "yacht club" to everyone and especially the media and the sensationalist potential of the whole thing. Did you look at any other facility within a five to 10-mile radius?

Mr. Foley: First of all, within the five-mile radius, there is no other facility that we know of. In fact, I know there is no other facility that would provide accommodation and meals at all. Within a 10-mile radius, we looked at a number of other facilities that just—

Mr. Samis: What for example?

Mr. Foley: For instance, motel units.

Mr. Samis: Towards Kingston?

Mr. Foley: Towards Highway 2. Otherwise you have to go to Napanee, which is about 15 miles away.

I'll be very candid. It was not that I did not understand what would happen once we entered into arrangements to provide this with something called "the yacht club." I was well aware of what might happen with respect to the publicity and so on surrounding it.

I simply say to you and the others that even after reviewing all of that, and after reviewing all of the media, if we had to make the decision over again, on the basis of what was the most economical and sensible way to proceed, including involving the private sector, we would make the decision on the same basis again.

I would like it to be something other than a yacht club, but that was a policy that was related to encouraging tourist operations in Ontario that were sponsored by both the federal and provincial government, and I could see no reason to discriminate against them because they combined it with a marina facility. That's what we would have done if we had said, "I'm sorry, but I can't stand the heat, so we are going to discriminate against you because you have a thing called the marina or a yacht club."

Mr. Samis: No. I would agree you can make a reasonable argument for what you did. I'm just saying the connotations of the particular organization are not—

Hon. Mr. Snow: I would have to say that Mr. Foley reported the proposal to me very fully. As the minister and as a politician, of course, when I saw the words "yacht club" immediately my interest intensified, but when I read the proposal and the options that were put before the president and the board of directors, from a straight business point of view and considering

the costs of supplying the services, I did not question the decision of the board.

Mr. Samis: Can I just ask you—Eric may have covered this—at what stage were you in on the decision to go ahead with this project? After it was made or before?

Hon. Mr. Snow: Well, I've heard both tonight, and without reviewing the file, I don't know. Certainly Mr. Cunningham suggests that I was informed after the decision was made. If that is so I really don't have any argument with that, because I have a board of directors and president who are charged with making business decisions on a day to day basis.

As minister, and with all my responsibilities, I certainly cannot and do not operate this company on a day to day basis. Mr. Foley has said that the final contract was not signed until some time after he wrote the reporting letter on the specific incidents to me. I received his letter. I read the—

Mr. Samis: That is the one referred to in an article as you having received it six months after, is that right?

Hon. Mr. Snow: I don't have those documents with me.

10:10 p.m.

Mr. Samis: There is one paragraph in the article that bothers me. It says, "Mr. Foley said he decided to explain the reasoning behind the decision in a letter to Mr. Snow last May, six months after UTDC had already decided to advance \$60,000 to the club's owner to assist in the club's construction."

Mr. Foley: I do not know whether the six months is accurate. Certainly, I think the letter to Mr. Snow was some time in between March and May. The final contracts were signed in September following that, but the ultimate decision of the board, I think, was around December, or January 1981.

The issues at stake, of course, were—we have a mortgage against the entire property which secures our payment, so all of those things had to be developed and processed. But there is a difference between when you actually enter into the contract and when you make the decision to proceed. That decision was made subject to all those contractual matters being clarified—legal opinions as to property, entitlements and appraisals of the value of the property.

Mr. Samis: Can I just ask you one final question? I do not want to drag it all through,

but Bombardier must be in a similar situation. They must get hundreds of visitors yearly to their facility. What arrangement do they make?

Mr. Foley: I do not know Bombardier's totally. I know they have a number of—

Hon. Mr. Snow: If I could comment: When Mr. Gilbert, myself and Mr. Hobbs, who is now Deputy Minister of Northern Affairs but was then my assistant deputy minister, and perhaps one or two other people were on our way to Fredericton, New Brunswick, to a ministers' conference, we stopped to visit Bombardier at their invitation. We landed at an airport some 40 or 50 miles from their location and their people picked us up at the airport—it was on the south shore of the St. Lawrence, I forget the name of the particular airport.

Mr. Cunningham: Where the plant is?

Hon. Mr. Snow: No, it was about 50 miles east of where the plant is.

Mr. Samis: Not Drummondville?

Hon. Mr. Snow: No. We landed at that airport on our way to Fredericton for a ministers' meeting. We went the day before in order to visit their facility. They picked us up, they took us to their plant, gave us a coffee and a couple of cookies, a tour of their plant and a briefing on their operation. They treated us very well.

We did not stay overnight or anything like that. They took us back to the airport and we went on to Fredericton.

Mr. Samis: The moral of the visit is?

Hon. Mr. Snow: They did not take us to the yacht club and they did not take us to lunch, because we were not there at lunch time.

Mr. Samis: All I am asking is, what do they do with a serious customer as opposed to a free-loading politician?

Hon. Mr. Snow: I am sure they would have if the time had—

Mr. Samis: Maybe Mr. Foley can fill in the gaps.

Mr. Foley: Bombardier has corporate dining rooms in their main offices and they have a number of dining rooms related to their facilities. I do not believe that Bombardier owns the facility at this point, but they do hire them and they do accommodate visitors from both overseas and the US in a very attractive manner.

I can give you a number of examples of companies, including Canadair, that actually own fishing clubs and hunting clubs and so on. Most companies that I know of in this field, particularly competitors of ours within the

United States, would not enter into the kind of relationship we did for one simple reason. They would not bother with the hassles of having someone else, the general public, able to use the dining room and the facilities. They would make them exclusive and private, and they would simply accept the fact that it costs them more than if they rent a private executive dining room for their clients and staff.

I do not think now, and I did not think then, that we could either afford that kind of a process or should take that business away from the private sector trying to attract tourist operations.

Mr. Samis: But Bombardier has not gone that far yet?

Mr. Cunningham: Not that their operation is any cheaper and that sort of thing.

Mr. Foley: Not that I know of.

Hon. Mr. Snow: I must say they treated us very hospitably when we were there.

Mr. Samis: You didn't tell us what kind of coffee it was.

Hon. Mr. Snow: Very nice pastries, I remember the pastries more than the coffee.

Mr. Samis: I have no further questions, Mr. Chairman.

Mr. Chairman: Are we through questioning on this particular item?

Mr. Barlow: One short question, if I could. Just a short one, it won't take very long. I am sure the answer can always be yes or no.

Mr. Cunningham: Mr. Barlow, did you go too?

Mr. Barlow: Yes, the next time around.

Mr. Chairman, through you to Mr. Foley, I had a concern raised with me that UTDC was hiring people involved in the metal-working trades at the present time. Is that true or false?

Mr. Foley: If someone is hiring them, it would be VentureTrans, which is the company that is actually putting the manufacturing facility together. They probably are hiring metal-working trades, yes.

Mr. Barlow: Thank you very much. That answers the question.

Mr. Chairman: I believe we are currently dealing with vote 2702 and possibly vote 2708 at the same time. Do you have any thoughts on that matter? We have been talking about research and policy planning—

Mr. Cunningham: I would be reticent to carry vote 2708 just yet because I am sure some of us have questions about funding and what not on

that. Do you want to include this in the vote? It is not really in the vote.

Mr. Samis: What remains for Thursday now?

Mr. Chairman: What is remaining is for Thursday. We have to clean up vote 2704 which shouldn't take very long. We have talked about it for a morning but a few members had some interest. We have votes 2706, 2707, 2708, 2709 and 2702, policy and planning and research.

Mr. Cunningham: We can carry this as 2702 if you want.

Vote 2702 agreed to.

Mr. Chairman: We have about three hours and 15 to 20 minutes left. We are sitting on Thursday at 10 o'clock so I would suggest if there are no objections that we could sit right through till 1:15 p.m. or whatever it takes to wrap it up.

Mr. Samis: We will probably get into what?

Mr. Chairman: Everything from 2704 and then everything from 2706 on.

Mr. Eakins: Will that cover transportation, Mr. Chairman?

Mr. Chairman: Yes, it will.

The committee adjourned at 10:18 p.m.

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From the Ministry of Transportation and Communications:

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Gilbert, H. F., Deputy Minister

Sutherland, D. A., Director, Development and Special Projects Division, Toronto Area Transit Operating Authority





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Legislature of Ontario Debates

Official Report (Hansard)

Standing Committee on Regulations and Other Statutory Instruments

Estimates, Ministry of Transportation and Communications



Second Session, Thirty-Second Parliament

Thursday, December 16, 1982

Speaker: Honourable John M. Turner

Clerk: Roderick Lewis, QC

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LEGISLATURE OF ONTARIO

STANDING COMMITTEE ON REGULATIONS AND OTHER STATUTORY INSTRUMENTS

Thursday, December 16, 1982

The committee met at 10:05 a.m. in committee room 1.

ESTIMATES, MINISTRY OF TRANSPORTATION AND COMMUNICATIONS (concluded)

Mr. Chairman: I see a quorum. The gentlemen making these inquiries are not here at the present time. I am in the committee's hands as to how you wish to proceed. We could just proceed with vote 2706.

Mr. Cunningham: And stand it down?

Mr. Chairman: Stand it down for a while.

Hon. Mr. Snow: Regarding the questions the other Monday afternoon concerning the cost-revenue ratio of GO Transit for the different years, I have them now and I will just table them for the two critics and you.

This shows you how the cost-revenue ratio improved from 1975. As we explained the other day, 1975 was the end of the fare freeze. There had been a fare freeze for about three years which caused the cost-revenue ratio to go down to that 52 per cent. Then we introduced some fare increases and got it up to 56 per cent.

In 1978 the new CN agreement, with additional costs, came into being and knocked it down again to 51 per cent. We have again been trying to bring it up, but, as you can see, we have not been that successful. Each year, even with fare increases, there have been increased fuel costs and new services: to Milton in 1982—the Milton service was actually new in 1981—and the Stouffville and Bradford lines in 1982. Our estimate for 1983 is 54 per cent.

Mr. Chairman: Thank you. Perhaps we should move on to vote 2706. It's next. We will vote in orderly progression here. Say they accept vote 2704, which is the only one that has not been passed yet.

Are there any questions on the provincial transportation program from Mr. Cunningham and Mr. Samis?

Mr. Cunningham: Let's clarify which votes we have carried.

Mr. Chairman: We carried the first, second, third and fifth votes.

Hon. Mr. Snow: That was about provincial transit.

Mr. Chairman: So we are at vote 2706.

On vote 2706, provincial transportation program:

Hon. Mr. Snow: In vote 2706, Mr. Chairman, as you see, the largest amount of funding is the air program. We expect the majority of the money in that vote.

Mr. Cunningham: That is pretty well your northern—

Hon. Mr. Snow: To give you a little bit of history, we first got involved in an air program as a ministry in 1968 or 1969, I believe, when the Airports Act was passed. Following that, we started two programs in northern Ontario. One was to construct remote airports, basically at the native communities, and the other was a program of subsidising municipalities to improve municipal airports.

I believe that when we started out in 1968, there were something like 13 recognized airports in northern Ontario. Those included such places as North Bay, Timmins, Sudbury, Sault Ste. Marie, Thunder Bay and Kenora.

There were very few community airports and only one remote airport at Winisk, which was left over from the distant early warning line by the US in their air force days. Now, we have something like 50 good, recognized airports, either community or remote, in northern Ontario.

About three years ago, I got approval from cabinet to expand our airport program to include eastern Ontario. Since that time, money has been supplied to communities such as Morrisburg, Smiths Falls, Brockville, Kingston, a little bit to Arnprior and so on, to do some work to their airports.

10:10 a.m.

Last year, the program was expanded to include all of Ontario. Also—and I am getting ahead of myself—for quite a number of years, there was only a capital program. Then we started treating airport maintenance similar to road maintenance, to a degree.

We felt it was part of the transportation system, and we have been giving subsidies to municipalities to assist in maintaining their municipal airports. The remote airports are operated by the ministry, and maintained 100 per cent by our ministry.

We have now expanded that program to include all municipal airports in the province. Now they all qualify for a maintenance subsidy and as capital projects.

There has not been a lot of money spent in southern Ontario as yet. Just recently, I think, we have given some money for planning studies to Peterborough, Welland, and Port Colborne. There is a runway extension being approved at St. Thomas, some additions at Kitchener, and a number of things like that.

The formula is based on capital costs. The basic airport is subsidized at 80 per cent provincial and 20 per cent municipal. That is for a single runway up to 3,500 feet, including a taxiway, apron, and certain other facilities such as gas pumps, a maintenance building, and a small terminal building. The basic necessities to run a municipal airport are subsidized at 80 per cent.

If they go beyond that and they want a longer runway, additional taxiways or certain other facilities, those are subsidized at 50 per cent. A second runway is subsidized at 50 per cent.

Mr. Chairman: Any further questions?

Mr. Cunningham: I just have one. This would seem to be the most logical place to raise it. I don't want to make a big thing out of it.

I don't see it in the annual report and I haven't heard anything about it in the minister's comments, but this is related to the Nordair-Quebecair proposal the minister was associated with earlier in the year. I wonder if the minister is prepared to elaborate on his position as expressed some time this summer.

It is your desire, I believe, to see Nordair take over Quebecair in conjunction with two other carriers. I don't want to be critical one way or the other. I just note that Quebecair is losing money at a rate in excess of \$1 million a month.

Hon. Mr. Snow: It is \$16.5 million—

Mr. Cunningham: It makes about as much sense as me trying to take over Nelson Skalbania right now. I'm not all that flush, so it's just as well.

Hon. Mr. Snow: I guess I could almost write a book on the whole Nordair situation as it's developed over the last five years. It really started a few years ago when Mr. Tooley, who

was the major owner of Nordair, came to visit me in my office one day and told me they were planning some changes at Nordair. He said he had three options in mind.

One was to move the airline from Quebec to Ontario, to move the head office from Montreal to possibly Hamilton or Ottawa and become an Ontario company and continue to operate.

The second was to sell the airline; and the third was to close it down and have an auction sale. At that time he had a bunch of 737s which were very hard to buy and he could have probably done very well by selling off his equipment.

I knew at that time that Air Ontario—Great Lakes Airlines then—was considering expansion. I suggested that Great Lakes should go and have a talk with Mr. Tooley and maybe they could work something out together.

They did, and apparently they were coming close to some arrangement. I was not involved in the discussions; they were strictly private-sector discussions.

I went to Barbados between Christmas and New Year's four or five years ago and when I came home, Max Ward came over to sit down beside me and said, "Did you hear about Nordair?" I had been in Grenada for a week and hadn't heard anything.

Nordair had been bought by Air Canada. That didn't particularly upset me, but I was surprised. Following that, Otto Lang, the minister at that time, made a statement that Air Canada had been instructed to dispose of Nordair back to the private sector within a year.

We agreed with that statement fully, but we wanted some Ontario participation in the purchase of Nordair. Nordair, in the meantime, had obtained additional licences, had taken over the Transair licences, and were operating right through Ontario from Montreal to Winnipeg and giving a good service.

Basically, Nordair was the regional carrier for Ontario, to all intents and purposes. We just wanted some of the jobs, some of the activity and maintenance work, in Ontario and not have all of it coming out of Montreal. We did not suggest we wanted the head office to move from Montreal to Toronto or anything like that, but we wanted some jobs, some economic activity in Ontario as part of this.

Guidelines were set down. Quebec took the position that they wanted controlling interest to be held within the province of Quebec. A lot of different private sector people, including Laidlaw Transport Ltd., Algoma Central Railway, Great

Lakes Airlines, a number of groups like that, tried to work out arrangements with Quebec, and then Quebecair got into it as well.

In the meantime, Mr. Hamel and other people bought out Quebecair from Mr. Webster, who had been the controlling owner of Quebecair. A lot of proposals were put forward to form a new company, amalgamations and so on. None of them ever really materialized; they fell apart for one reason or another.

In the meantime, Air Canada continued to own 87 or 89 per cent of Nordair. A year and a half ago, Mr. Pepin said that since no private sector group had been able to put together a deal that would be acceptable to Ontario and Quebec, he was authorizing Air Canada to continue to hold Nordair.

The problem was that a few months ago Quebecair and Great Lakes Airlines, which was now known as Air Ontario, had made a substantial change. Mr. Plaxton was the sole owner of Great Lakes Airlines. Eventually, Great Lakes Airlines bought C and C Yachts Ltd., which became a subsidiary of Great Lakes.

10:20 a.m.

Then Austin Airways Ltd., which was owned by White River Air Services, which is owned by the Deluce family in northern Ontario, entered into an agreement with Mr. Plaxton to become a 50 per cent owner of Air Ontario and the yacht company. That is a confusing pair of twins to have together, but that's the way it is.

Mr. Cunningham: The yacht company was doing about as well as Quebecair.

Hon. Mr. Snow: I don't think the yacht company was doing too badly. I haven't seen a recent financial statement, but it is a private company now so we probably never will. It was a public company before they bought control.

The Deluce family have a very high reputation as aviation operators in northern Ontario. They did not amalgamate Austin with Air Ontario. Austin is still owned by Deluce 100 per cent, but Austin owns 50 per cent of Air Ontario.

They then started negotiating with the owners of Quebecair, and they came together with a proposal to amalgamate Air Ontario and Quebecair, and buying out Nordair. Basically their proposal was to put the three together and still end up with three airlines.

One jet operator, presumably Nordair, would operate the jet services over the routes of both Nordair and Quebecair. There would be two turboprop airlines; one to be called Quebecair,

to operate turboprop services within Quebec, one to be Air Ontario, to operate turboprop services for the short-haul routes within Ontario.

Their proposal was that this would be 40 per cent owned by the Quebec interests; 40 per cent owned by the Ontario interests—Deluce and Plaxton, et al; and 20 per cent owned by Air Canada. They came and laid this proposal in front of me and said: "What do you think of it? Is this a proposal that meets the criteria you have set down from an Ontario standpoint of rationalizing the air service in central Canada?"

I had no objections to the proposal. I did not know at that time, and the information was not available, that Quebecair was in bad shape, but this was only a proposal. Audits would be done on all three companies. The financial end of it was really the private sector's concern.

We were not asked and did not propose to put money into the thing. The one thing I was concerned about was that 20 per cent of Air Canada was not going to be voting. If I were putting my dollars into it, I would want my vote. I was not surprised at the reaction of Air Canada.

Mr. Samis: At this stage, what was the nature of the ownership of Quebecair? Was it still private or was the Quebec government involved?

Hon. Mr. Snow: No, because in the meantime Mr. Hamel brought in the Provost people. Hamel is basically a big trucking company in Quebec. The Provost brothers have big trucking interests in Quebec, and in this case, the credit unions had some money in it.

It was a very complicated deal. There was the matter of the note Mr. Webster had for \$8 million or something, which under certain circumstances becomes due and payable. There is some court action about that. In the meantime, Air Canada had moved to buy Quebecair from Hamel et al.

The Quebec government disagreed with this and jumped in with both feet. It bought \$15 million of preferred nonvoting convertible shares in Quebecair. They did this to stop Hamel from selling to Air Canada. They bought \$15 million of these convertible preferred shares.

Now, if those shares were converted, control would change hands. As I understand it, the Quebec government would own about 80 or 85 per cent of Quebecair if they converted those preferred shares to common stock. They went the preferred route because the Webster note became due and payable the minute Hamel lost control of the airline. They did not want to have to pay off Mr. Webster.

Mr. Samis: Was the government involvement in the last six months? I guess I am a little mixed up on the time frame now.

Hon. Mr. Snow: What is that?

Mr. Samis: When the Quebec government bought into Quebecair.

Hon. Mr. Snow: That was about a year ago or so.

Mr. Samis: And the controversy now in Quebec, as I recall—

Hon. Mr. Snow: I will try to finish this up quickly. The Quebec government bought \$15-million worth of shares, and became the sort of parent of Quebecair. Quebecair continued to lose money and went out and bought five new 737s when they were at a premium. Then they did not have the routes to support them.

They got the route from Montreal to Toronto, which I understand has been a loser. They thought they were going to do a big business in charters to Florida, but that did not materialize. They were going to sell their three BAC 111s—in fact they quit flying the BAC 111s and were flying the 737s. This sort of made sense if they were going to amalgamate with Nordair and others, Eastern Provincial or anyone like that, because then they would have had a uniform fleet of 737s.

They started to lose money so fast on all this that now they have the 737s all parked some place. They went back to flying the BAC 111s and continued to lose money. The Quebec government has had to continue to put money into the situation to keep the airline flying.

Basically, our involvement was before all these latest events took place. We said the Air Ontario-Quebecair-Nordair proposal did not offend us. It was not our main requirement of having Ontario participation in the airline, and it was up to the people who were going to put the money in. We supported Air Canada maintaining an interest in it. As I said, the Air Canada nonvoting thing did not make that much sense to me, but I found out later that was one of the conditions of the Quebec government. They did not want Air Canada to have any vote in this airline.

That deal is basically dead as a dodo. Our main participation was saying to Jean-Luc Pepin that if this deal made sense to him it would be acceptable to us, if all the things could be followed up.

Mr. Cunningham: I watched Nordair with interest in so far as, when they are not on strike, they serve Hamilton Mountain. I have been

over to see all the expansion up there. Your ministry is going to put some money in to help us with the access, which we appreciate. In the long term, that is going to be a great thing for Hamilton. It is long overdue, in my estimation.

Hon. Mr. Snow: It is under way. I was at Hamilton Civic Airport on Sunday, and they are building parking aprons and what not there.

Mr. Cunningham: We are delighted to see it, but it would be a pretty quiet place without a carrier. The only guys who would fly in and out would be you and my friend George Stewart. That would be about it.

Hon. Mr. Snow: I have only been there once or twice a year to get my radio fixed.

Mr. Cunningham: If Nordair had its interest merged with something that was losing money at the rate of \$1 million a month, and it is now at a ratio higher than that, you know what a devastating effect it would have on Nordair.

These facts are available to all of us now. It was in the business section of the paper either today or yesterday. At the time I was reliably advised by the employees of Nordair about the Quebecair fiscal situation. On that basis, I issued some statements that strongly urged Mr. Pepin to reject this proposal.

I want to go on record as saying that I really support Nordair. I want to make sure that, whatever happens in the future, it is kept viable. It is a very important thing for Ontario.

Hon. Mr. Snow: That is my strongest condition; that we have a viable regional air carrier—

Mr. Cunningham: But the irony of the whole thing is—and I am not criticizing you for it, I think your intentions were good—your support for the Quebecair proposal could have been the kiss of death for Nordair if they—

Hon. Mr. Snow: It never would have materialized, Mr. Cunningham, as I see it, if Pepin had— We had no financial information on any of the airlines. Air Ontario did not know the financial condition of Quebecair, other than in generalities. The first proposal would have been to have had an outside auditor or appraiser look at the assets of the three airlines and put dollar figures on them. The next step would have been that you would have had to pay X number of dollars to make this deal go together. Of course, that information would all have come about in that second stage, which we never reached.

10:30 a.m.

There has been a great deal of pressure on Mr. Pepin, I believe, from his own caucus,

especially the Quebec part, to rectify the situation and to save Quebecair. I met the Nordair pilots; in fact, I have been in constant contact with Nordair employees since the day the Air Canada deal came about. The main concern they expressed to me was one of seniority and the union problems. Apparently, if there was true amalgamation, strictly on union seniority, many of the Quebecair pilots have longer service than those of Nordair and the Nordair crews would not get off too well. I can certainly understand their concern there.

As it is now, Mr. Pepin is dealing with the Quebecair matter individually. We have had some further discussions on what might happen in Ontario, but he has said, basically, "Let me try to deal with the Quebecair matter, which is of some urgency, and see what we can sort out there."

Mr. Samis: What is his intention beyond saving Quebecair? Does he give any indication of what he wants to see?

Hon. Mr. Snow: I cannot really say any more than that. He is working to try to put together something to maintain Quebecair as a regional carrier service serving Quebec. Once he gets that sorted out, he has put forward a proposal for this Quebecair bill.

He does not want to go in and bail out the creditors of Quebecair and let them all walk away free. They got into this mess themselves. I can understand his philosophy on that, especially when they are using some of my money to do it.

He came up with this Quebecair 2 proposal, which did not fly very well with the Quebec government certainly. The last I heard he has put Mr. Taylor in as chairman of a committee to try to come up with a plan for him on this.

Mr. Samis: Is it your reading that the prospects for any form of amalgamation beyond Quebec are very distant now?

Hon. Mr. Snow: To my knowledge, there are no discussions going on as far as any amalgamations or anything else at this time are concerned. They are dealing with the Quebecair matter, and I expect when that is sorted out, whatever develops out of that, Mr. Pepin will sit down again with us and start looking at some other matters.

In the meantime, the Nordair strike is now settled, thank goodness, and they will be back flying next week. Air Ontario is also operating and giving a good service. Our service has not really suffered, other than for Hamilton.

Mr. Cunningham: I do not have any further questions.

Mr. Chairman: Mr. Samis, do you have any?

Mr. Samis: No.

Mr. Chairman: Mr. Miller, I believe you had a question with respect to harbours under vote 2706.

Mr. G. I. Miller: Can I discuss it under this vote?

Mr. Chairman: Why not?

Mr. G. I. Miller: There was an ad in the Globe and Mail on October 6, 1982, with regard to the Ministry of Transportation and Communications and the federal Transport Canada. They are advertising to review the harbours, I believe, in Ontario. I wonder if the minister has anything to report on that.

I did send away for background information, and indications were that they were studying the harbours along the Great Lakes. I noticed it mentioned Nanticoke, but I am not sure if that includes Port Dover and that area. There is nothing with regard to Port Maitland, which I believe is a potential port area, and there is an interest by Misener in developing it. I wonder if the minister has any comments or was aware of that.

Hon. Mr. Snow: We have agreed to do a joint review, in conjunction with Transport Canada, on the role of the different harbours in Ontario; those are the existing harbours. There are two federal harbours, shall we call them, Prescott and Port Colborne. Then there are the harbour commissions, such as Windsor, Thunder Bay, Toronto, Oshawa and Hamilton. Those are the major ports.

One other item we are working on, again jointly with Transport Canada, is a feasibility study, taking a look at whether there is a potential for a harbour in the Bruce area, where the nuclear plant is and where the proposed industrial development is. That study is under way between the feds and ourselves, and is not yet completed.

Mr. G. I. Miller: I think those were all mentioned, but does that include Nanticoke?

Hon. Mr. Snow: To my knowledge, Nanticoke is not a harbour.

Mr. G. I. Miller: Pardon me. Did you say that Nanticoke is not a harbour?

Hon. Mr. Snow: Not to my knowledge, as far as we are concerned.

Mr. G. I. Miller: More tankers come in there—

Hon. Mr. Snow: I know, but it is a private harbour, isn't it?

Mr. G. I. Miller: But it is on the list. That is all I am concerned about.

Mr. Cunningham: It is a private—

Hon. Mr. Snow: There are many of those that we do not call harbours. Out along the lake, St. Lawrence Cement Inc. has its own wharf, as Gulf Oil has. Shell and BP together have theirs at Bronte. Those are unloading facilities built by those industries; they are not public harbours funded by government.

I don't know the Nanticoke details expressly, but I presume the facilities were built by Stelco.

Mr. G. I. Miller: Ontario Hydro constructed the first, then Stelco extended along the lake, which I guess is private. Ontario Hydro facilities would be public or belong to the province. Texaco is using it for shipping out oil.

Is the purpose of the study to perhaps decide if it would be feasible to set up a harbour commission to develop that area? Again, I want to point out that it is going to become a major area. In fact, it is a major area right now.

Hon. Mr. Snow: There is no doubt about that.

Mr. G. I. Miller: It will become more so. The concern was that Port Maitland was not on the list, and Port Burwell and some of the smaller areas were also not on it. That was my concern because I think there is potential there.

Hon. Mr. Snow: Perhaps Mr. Johnston can go into more detail.

Mr. Johnston: The study will be kicked off early in the new year. About the middle of January we expect to have the consultants selected and the study started.

It is basically a master plan looking at all the public ports in Ontario. Around 32 ports will be considered in the study, the commission ports, the National Harbours Board ports, plus the public ports. It is a list that was agreed upon jointly between the Ministry of Transportation and Communications and Transport Canada in Ottawa. It is to look at a strategy for the whole port system in Ontario.

It is not looking at the requirements for new ports, but more looking at the investment strategies to meet the longer-term requirements with the existing port system. Studies of this nature are being carried out right across Canada, and the study on the Great Lakes system of ports is the last one to be undertaken in this regard.

Mr. G. I. Miller: Are you saying there is no way of including new port facilities, Mr. Johnston, and of developing grain storage? There is a need for that in that area. There is a shortage. In Toronto, they're removing some of the elevator capacity.

Port Maitland is a natural deep-water port. Planning is taking place, yet I don't see it in the study. It's for the next 20 years, and that concerns me.

10:40 a.m.

Mr. Johnston: Perhaps I could ask for clarification from Mr. Porter. Is Port Maitland on the list, that you're aware of?

Mr. Porter: No, but the list is not—

Mr. Chairman: Could you come forward, please, Mr. Porter?

Mr. Porter: The list is not all-inclusive necessarily. We had to have a list of the number of ports the consultants could consider as a part of their assessment of how much it would cost and how much time it would take them to do it. Within the development of the strategy, there may be areas that come out as areas where there is better potential for development than others. They probably won't be absolute locations, but there might be areas where private ports, as you mention, have a role to play in the growth in that area that is different to the one they're playing now.

It's really a strategic study, looking at what is happening over the next five to 20 years. Where is growth occurring and how can the present port system accommodate it? What investments are needed within that system? There possibly could be areas of new development within that strategy.

Mr. G. I. Miller: May I suggest that Port Maitland be included in that list, or is it locked in now because of the way it has been advertised?

Mr. Porter: No, it's not locked in, but the first stage of the study is to inventory what is out there. There may be ports that should be added to that list because of the way the inventory is undertaken. At this time, it's not a set list and the study could come up with other locations that should be included in the strategy.

Mr. G. I. Miller: I would like to make that request on behalf of my riding and that particular area. Again, in order to justify and utilize the Board of Industrial Leadership and Development program, which is being utilized in marinas and that type of thing, that area does have

potential for not only marinas but, as I indicated, for grain storage.

Hon. Mr. Snow: Is that not where Mr. Misener has been talking about a proposed private port development or some type of port development?

Mr. G. I. Miller: Yes, and I would suspect that maybe the way finances are at the present time, that's one reason for not moving ahead quickly. There are other reasons, I'm sure.

The farmers in the area are putting their own money up for storage. There is good potential for that area to expand in corn and soybeans. I feel that kind of step would be good for the canning industry, the trucking industry and the shipping industry because there is access there for a full load. While Port Colborne is a good facility, they can't load the big freighters. They have to half load and move down the St. Lawrence or move up to Windsor to complete their load.

It would really stimulate that area of Dunnville, which is badly needed. I ask that it be considered.

Hon. Mr. Snow: We will certainly take a look at that.

Mr. Samis: May I just ask one final question as a point of clarification? In this study how are you avoiding overlapping with the feds here? I presume they do constant studies of port facilities.

Hon. Mr. Snow: This is a joint study.

Mr. Samis: This is a joint study.

Mr. Johnston: It's jointly funded by the Ministry of Transportation and Communications and Transport Canada and the federal government. It's probably the last of a series of these master plan studies that went across Canada. The west coast has been completed. The east coast is basically complete, and the master plan for the St. Lawrence system through Quebec will be coming out very shortly. We're just starting on this.

Hon. Mr. Snow: It's not unlike the study that was done by the port of Thunder Bay a couple of years ago. A major study was done of the future of that port and expansion. It was a joint study.

Mr. Samis: Done by whom?

Hon. Mr. Snow: It was really headed up by the Thunder Bay Harbour Commission, but it included the city of Thunder Bay. My ministry had representatives on the committee. The Ministry of Northern Affairs had a representative and also the federal government, Transport Canada.

They've come up with a master plan for that whole Thunder Bay waterfront area, including

major shipping. Thunder Bay is almost the biggest shipping port in Canada, I guess. Sixty per cent of the grain shipped out of Canada goes through the port of Thunder Bay. They're setting records this year. The previous record was 16.5 million tons. They expect to go to 18 million tons of grain through Thunder Bay this year.

Everyone was included in the master plan: the city, the conservation authority. That master plan not only includes improvements of port facilities, but recreation, boating, conservation, wildlife preserves and everything else. It has been, or will be, adopted by the city of Thunder Bay as part of their official plan.

Again, it's a report that was done jointly by the city harbour commission, the federal government and ourselves.

Mr. Samis: I'm not sure if you read out the complete list of ports being studied, but my own community has a deep-water port. We get a reasonable amount of shipping from Scandinavia and the Soviet Union. Is Cornwall on that list?

Mr. Johnston: Yes.

Mr. Samis: It is. If you look at the St. Lawrence, you have Prescott and Cornwall. I don't think Brockville has a port facility anymore.

Mr. Porter: I don't think so.

Mr. Samis: No, so you just have those two.

Mr. Porter: The objective is to look at the whole strategy of the ports that exist now, plus the ones that are maybe not in the system. There are public harbours. There are 32 of those that are run by the federal government, as well as the two national harbours ports and the five commission ports. Then there are the private ports.

All those categories will be considered as the first step of the project to find out what's there now, how it is operating, and where it should be going over the next five to 20 years in five-year stages.

Mr. Samis: Is there some area for provincial funding there, or is it pretty well all under federal jurisdiction in the first place?

Hon. Mr. Snow: Basically the marine mode is under federal jurisdiction. We don't argue about that point at all. The main purpose of us having a marine and pipeline office within the ministry is that it's a major mode of transportation, although not much recognized as such by the public. They don't deal with it. They don't see the boats running up and down the 401.

From the economic standpoint of Ontario industries, it's very important. We want to be part of knowing what is going on and have input to any federal plans.

Under the Board of Industrial Leadership and Development program, there was some funding made available to municipalities and private operators for marina development, more involved with the tourist industry. There was a proposal for money to be made available for the development of a major port at Oshawa, the improvement of Oshawa.

There has been a commitment made that if the federal government and the harbour authority at Oshawa go ahead with the major port development, Ontario would put money into that. That's the only commitment that has been made.

There doesn't seem to be very much action going on down there at this moment as far as going ahead with anything yet.

Mr. Samis: I presume our major role is input, to hope they would tie in any federal projects with our own regional development.

Hon. Mr. Snow: Yes, it's the same with our rail office and our air office. All three mainly deal with modes of transportation under federal control where we want to have input. The air office goes beyond that because we have our own air programs. I just explained airports, and so on.

Mr. Samis: Does the Quebec ministry have the same sort of structure? Do they have a rail office?

Mr. Gilbert: Oh, yes, they do.

Mr. Samis: They do, eh?

Hon. Mr. Snow: We were in Quebec City this summer. The former deputy minister of transport of Quebec, Hugues Morrissette, is no longer deputy minister. He is head of a group of some kind that's dealing with ports, shipping and marine matters for the province of Quebec. He had a big conference and seminar down there last summer.

In fact, Mr. Gilbert had another meeting with Mr. Morrissette and his group just this week. We're working with them quite closely.

Mr. Samis: Thank you.

Mr. Cunningham: I have no further questions.

Mr. Chairman: If there are no further questions on this particular vote, Mr. Miller does have a question, but I don't think it pertains to this vote. Shall we carry vote 2706?

Vote 2706 agreed to.

Mr. Chairman: Thank you. Mr. Miller has a question with respect to busing. I would suggest that we allow him to make that inquiry now.

Hon. Mr. Snow: What vote are we on now?

10:50 a.m.

Mr. Chairman: I suppose it could apply to several votes. It could apply to vote 2708, municipal transit.

Hon. Mr. Snow: Let's hear the question, and we'll decide what ministry.

Mr. G. I. Miller: It's in regard to Canada Coach Lines bus service to the region. Has it been asked before and I didn't know of it?

Mr. Chairman: No.

Mr. Cunningham: Why don't we move to the municipal transit vote, which has yet to be carried?

Mr. Chairman: Excellent idea, Mr. Cunningham.

On vote 2708, municipal transit program:

Mr. Cunningham: That's what you get for being here.

Mr. G. I. Miller: That gives me freedom now?

Mr. Chairman: Now you have freedom, Mr. Miller.

Mr. G. I. Miller: Thank you. Mr. Chairman, to the minister, Canada Coach Lines has been providing a service to the Simcoe-Tillsonburg-Dunnville area for a long time now. The first question I would like to ask is, do they receive any subsidies from the province for providing this service?

Hon. Mr. Snow: Not as Canada Coach Lines. Canada Coach Lines, of course, is owned by the Hamilton Street Railway Co., which is owned by the regional municipality of Hamilton-Wentworth. Canada Coach Lines is a similar breed of animal to Gray Coach, which is owned by the Toronto Transit Commission.

Again, neither of those companies, Gray Coach or Canada Coach Lines, receives any provincial subsidy in any way, although both have contracts, to some degree, to supply a transit service.

In the Hamilton-Wentworth region, Canada Coach Lines, in addition to being an intercity service, is providing an intramunicipal service within the open transit area of the region of Hamilton-Wentworth. In other words, a Canada Coach Lines bus within a certain region in Hamilton-Wentworth is picking up passengers which are within its transit area.

If it's more economical to have the Canada

Coach Lines bus pick up those passengers than to have a Hamilton Street Railway bus duplicating the same route, then we agree that those passengers on that portion of the route qualify for subsidy on the same basis as municipal transit.

Basically, to answer the question, as far as Canada Coach Lines going down into Haldimand-Norfolk and supplying an intercity service goes, that's the same as Gray Coach going to North Bay and London and so on. They don't qualify for any provincial subsidy.

Mr. Cunningham: You're not answering the question, or the concern that he had, which has to be why the Hamilton-Wentworth taxpayers should subsidize this very expensive service outside their region, apart from the fact that down that way they're real nice folks.

Hon. Mr. Snow: As I understand, the question is coming up now. Hamilton-Wentworth regional council has been considering the Canada Coach Lines problem for a number of years. Basically, the intercity bus industry has been a profitable industry to varying degrees, depending on the operations, on the charter business they have, and so on.

I think the intercity bus industry, like all others, is suffering with increased costs, inflation, and the economy today. The Toronto-Montreal routes of the intercity bus industry used to be considered very lucrative routes. Now, with the competition from Via Rail and so on, the bus industry is getting concerned.

Over the years, Hamilton has considered the possibility of selling some of the routes it has to other operators, or of selling Canada Coach Lines as a separate company to the private sector. They have never really got around to making a decision on what to do with it.

I haven't heard the financial figures for Canada Coach Lines recently, but they lost \$600,000 last year, or something like that.

Mr. G. I. Miller: How much?

Hon. Mr. Snow: Six hundred thousand, I believe.

Mr. G. I. Miller: I don't know. I don't have the exact figures but the bus service in the region of Haldimand-Norfolk could cost \$145,000. Your figures may be correct and—

Hon. Mr. Snow: You're mixing apples and tomatoes here, but give me a minute to explain. The situation in the region of Hamilton-Wentworth, as Mr. Cunningham has said and as I understand it, is why should their taxpayers be subsidizing a bus service which is basically

serving Haldimand-Norfolk? So they are considering the possibility of dropping some of the nonprofitable lines.

As I understand it, before they put those lines up for sale to other operators, or whatever they decide to do with them, they have gone to the regional council of Haldimand-Norfolk and said: "This is the situation. We may find ourselves in a position that we have to recommend to council that we are going to discontinue some of these services as they are services that provide a service to your region. What are your thoughts? Would it be reasonable, if these services are going to run at a deficit, to ask the taxpayers of Haldimand-Norfolk to share in these subsidies on some formula?"

That's why I presumed your \$145,000 is what someone has estimated that Haldimand-Norfolk would have to put in to cover their share of the losses if the services were to continue. I had a telephone call this week from the regional chairman of Haldimand-Norfolk, asking for information regarding bus operations.

They stated they would be planning to meet with Hamilton-Wentworth and he asked for our bus office people who deal with all matters of public transit and intercity bus services to sit down with a committee of Haldimand-Norfolk council that has apparently been established. The meeting has been probably set up by now, I assured him.

Mr. G. I. Miller: I realize that the taxpayers of Hamilton-Wentworth wouldn't want to be subsidizing the region of Haldimand-Norfolk for a bus service, but it does provide an opportunity for people to get to Hamilton to do business in its shopping areas. I suppose that is worth some considerable value to the region of Hamilton-Wentworth.

The other thing that concerns me is that when I ride to Toronto on the GO system, I see that it is sponsored considerably by this province. During the past summer, when we had a strike in the Canada Coach Lines system, we had people come into our office and say, "How can we get into the Simcoe and Dunnville areas to work in the tobacco fields or the fruit or agriculture industry?"

If you don't have an automobile—and lots of people don't have one today because of the financial squeeze—how else can those people get transportation, except by taxi? There is no alternative.

Hon. Mr. Snow: It wouldn't matter who was paying the bill, Gordon. When they're on strike, there on strike. It wouldn't be running.

Mr. G. I. Miller: What I'm concerned about is the fact that the service may not be there.

I'd just like to put on record that I received a letter from the town of Dunnville with a resolution addressed to myself, to the region of Haldimand-Norfolk, Hamilton-Wentworth, and Canada Coach Lines Ltd. The resolution reads as follows: "That the council of the town of Dunnville opposes the proposed sale relating to services presently supplied by Canada Coach Lines without the absolute guarantee that the existing service supplied by this coach line to the citizens of Dunnville be not minimized in any way."

I just want to bring to the attention of the minister that they want to make sure of their service; I also received letters from the town of Simcoe and the region of Haldimand-Norfolk.

The last question I would like to ask is, if Canada Coach Lines Ltd. is not going to provide this service, and the province is not going to provide any funding similar to the Metropolitan Toronto area, will Canada Coach Lines have to give up its licence so that other operators can take it over?

11 a.m.

Hon. Mr. Snow: The decision as to how Canada Coach Lines Ltd. operates has to be made by the owners of Canada Coach Lines, who happen to be the region of Hamilton-Wentworth.

I guess the city or the region got into the intercity bus business by way of them taking over the shares of Hamilton Street Railway from the private owner. He had been in the intercity bus business, so they got Canada Coach Lines as part of the deal.

If Canada Coach Lines were to decide to discontinue certain ride routes down into your riding, first of all they could put some of the routes up for sale. Transfers would have to be approved by the Ontario Highway Transport Board, but they could, I believe, sell off part of their business without putting the whole business up for sale, if they wished.

Other private operators could then have the opportunity to buy those. If Canada Coach Lines says, "We are going to quit operating X, Y, and Z routes," then other private operators down in that area could certainly apply for a licence to operate on those routes from the Ontario Highway Transport Board.

If they were going to apply now, Canada Coach Lines would of course oppose them, saying there was not enough business there for two. But if Canada Coach Lines discontinued its

services, then certainly we would urge other private operators who are down there to apply.

They would have to apply to the board, and maybe someone else would oppose them, or they would oppose each other, as truckers and bus operators do, but certainly Canada Coach Lines would not have a very strong position before the board in opposing the granting of the licence if Canada Coach had discontinued the service.

Mr. Cunningham: Mr. Chairman, just while we are on this, I live in the region and I think that I am reasonably aware of the problem. As much as I am a great advocate of free enterprise and private enterprise, I do not think, given the situation as it exists now, that either the entire Canada Coach Lines operation or a fragmented part of it is really all that viable.

As we move to a more expanded GO facility it is probably in the public interest, in the context of integration, to keep all of this in the public domain. There is a solution to this, and I would be very upset if the Hamilton-Wentworth regional council chose to either wind Canada Coach Lines up, wind the routes down, or dispose of Canada Coach Lines.

I do not see the service that the smaller communities, from St. Catharines right around the Golden Horseshoe, have to get into Hamilton. It is not just to get into Hamilton to shop; it is to get into Hamilton to get to Toronto from a lot of those communities, and that is the only way that some of them can reach Toronto. Of course, in Milton and places like that they have an easier time getting to Toronto. To get to Toronto, many people have to get to Hamilton first, and that is a problem itself.

I don't really think that many of these lines are all that viable, the primary reason being that they are competing with the car and competing with other modes of transit, periodically. As well, when you get within the borders of Hamilton-Wentworth, usually on provincial highways, you start filling your bus up and start moving closer to breaking even with the Hamilton-Wentworth passengers you are carrying.

That is common to all sorts of little communities in my riding and in Gordon Dean's riding. It is not unusual for the St. Catharines-Beamsville-Grimsby run, let's say, to stop at a number of points in what was Saltfleet and progress on into Stoney Creek and then finally into Hamilton. I could not tell you what percentage of people on that bus route would be Hamilton-Wentworth passengers. It might be 50 per cent; it might well be 60 per cent.

If one were to strip that away, what is a questionable financial operation right now would be a definite loser. It just could not sustain itself.

I think that the solution, and it is not an easy one—invariably, these solutions involve more money—is a little moral suasion with the surrounding regions where you might apportion that cost. It is a public service, a public utility and the public is gaining. If you can apportion a fraction of the cost to the region of Niagara, the region of Haldimand-Norfolk and so on, with an additional provincial subsidy for that operation per se, I think it would be far more palatable and much more helpful to Hamilton-Wentworth in breaking even.

I think we will really regret, much in the same way we would regret the failure of Nordair in the public interest, the failure of Canada Coach Lines or the winding up of Canada Coach Lines or the disposal of the routes. I do not see a lot of people who would be lining up to take over the routes, whether it is Greyhound or whatever. They would only want a fraction of the routes anyway, and that is going to hurt people who rely on the service.

At the same time, the mandate for within the region will be to continue to provide service for people in Waterdown and Carlyle and the far end of Stoney Creek, Mount Hope and Glanbrooke and the far end of Ancaster. Consequently, Hamilton Street Railway buses will be required to go out and service those areas and operate at 50 per cent or 40 per cent or 62 per cent, whatever that figure would be, whereas now the bus coming from Guelph or from Cambridge—I do not know if there is one from Cambridge—makes a lot of sense.

Those are my views. I would really like to see some leadership on this thing in the next six months to encourage the Hamilton-Wentworth region to stay involved in this, and a little bit of money would help sweeten things.

Mr. Chairman: Thank you, Mr. Cunningham. Are there any questions?

Mr. Cunningham: I do not know if the minister wants to respond.

Hon. Mr. Snow: I have not had any contact from Hamilton-Wentworth on the Canada Coach Lines situation for some months. We have met with them numerous times but certainly I am very reluctant to get involved in any way in the subsidization of the intercity bus industry because there would be no end to the demand. There are many, many unprofitable intercity routes all through the province.

The private sector has been coping with this quite well. They may have some unprofitable routes and some profitable routes, but they make it up on charters and bus parcel express. It is certainly not the policy of the government at this time to start subsidizing the intercity bus industry.

Mr. Gilbert: One of the things that happens so often, and Canada Coach Lines is a good example, is that attempting to mix that intercity traffic with the so-called commuter traffic is quite difficult. You are not serving either one.

If you try to serve the intercity routes, it is at a different time to what the commuter people need. That is one of the problems you have with Canada Coach Lines. That is what is still possible, as far as the private sector is concerned, if someone went in and tried to truly serve the intercity in those areas—

Hon. Mr. Snow: We had an experience this week as to how intercity and commuter do not mix too well. Penetang-Midland Coach Lines has discontinued a route that comes from Barrie down through Alliston, Beeton, Bolton and places like that, thus serving a number of commuters in the Kleinburg and Bolton area.

11:10 a.m.

Originally, when you go back in history, it was a Gray Coach route which they discontinued a few years ago. Penetang-Midland applied for it and took it over.

But Penetang-Midland have an intercity service that comes from Collingwood to Toronto, basically through that same area. It is timed as an intercity route to leave Collingwood at 8:05 in the morning, I believe, so by the time it comes through Kleinburg and Bolton it's no good for commuters. By then, it's 9:15, and it gets into Toronto at around 10 a.m. On the return trip the bus leaves Toronto at 6 p.m. and gets back to Collingwood at 8 p.m., or something like that.

It is an intercity route that is scheduled to serve intercity passengers, people who want to come from Collingwood and that area to Toronto for about three-quarters of a day to do business or shop or whatever, and go back home at night. It also serves the international airport.

Although it was running through the same territory as the commuter service it does not serve the commuters because it is not operating at the right time of day. There are also not enough commuters in that area to run a special at the time they want, because only eight or 10 of them are using it and it's just such a dead loser. It's difficult to mix the two.

Mr. Cunningham: I know it's a difficult problem, but I hate to see it go under.

I have a couple of questions about municipal transit in Toronto. One relates to the story that you see in *Quest* today about the proposed increases of the Toronto Transit Commission. They seem to exceed the guidelines, and the spirit of six and five, which bothers me somewhat.

I see a great deal of merit to the whole restraint program. It is something they should have introduced a number of years ago. I certainly think that any decision to go beyond that, in the minds of the public, undermines the integrity of that program. However, that is something which Metropolitan Toronto, the TTC and yourselves are going to have to deal with.

I note that TTC fares have gone up by 300 per cent since 1967. In 1967, you could get five tickets for \$1. I know that service has improved a lot, and that a lot of that increase is inflation, but I think you are reaching a stage where the fares really are getting to be a bit much.

I would hope that for the balance of this restraint program, at minimum, we could do what we can to keep the cost of the Metropass, the cash fares and the ticket fares down to a reasonable level.

When the Metropass came in in 1980, it cost \$26. It is now \$32.50. In 1967, the cash fare for the TTC was 25 cents; you got five tickets for \$1. Only last year, they were 75 cents cash fare and seven tickets for \$5.

Hon. Mr. Snow: Eight for \$5.

Mr. Cunningham: No, seven.

Hon. Mr. Snow: Someone has given me the wrong information.

Mr. Cunningham: That's how we got into the Urban Transportation Development Corp., I think, but that's irrelevant.

Hon. Mr. Snow: You'll never give up, will you?

Mr. Cunningham: I'm going to get to that.

Hon. Mr. Snow: You mean you're going to get to giving up?

Mr. Cunningham: No, I'm going to get to page 71 of the Toronto transit report, which came out yesterday. Maybe we could deal with these matters separately.

I have indicated my concerns, anyway, and how they relate to the financing of the TTC. Again, it's easy to say, "Just throw provincial money at it," but I think the merits of the restraint program are not generally appreciated

by a lot of us. I think that lower expectations and reducing inflation can really be of great benefit to us.

I am happy that, on balance, we are embarking on a period of restraint where we can look a little more carefully at how we spend public money. As well, our expectations as to what is expected from government may be reduced to some extent. Part and parcel of that is that the taxpayer, the consumer, the citizen of Ontario has to understand that government is ready to do its bit.

It really is inequitable. If we restrict someone's wages or salary to a five per cent increase, but exceed the guidelines at the same time on hydro, the price of a case of beer, or the TTC Metropass or cash fare, it violates the spirit of it. I think that if we can keep our increases in line with the general philosophy of that program, you're going to see a great deal more support for the program.

I would suggest to you that the long-term benefits of that program are very great for us, both as a province and as a nation.

I have left that with you. I would hope that you would do your best in the next year to assist other municipalities obtain some efficiencies in the operation of their systems, and at the same time possibly encourage them to limit their increases to something that would be commensurate with the guidelines. It bothers me a bit that TTC fares are going up 85 per cent the day after we pass Bill 179.

Hon. Mr. Snow: Eighty-five per cent?

Mr. Cunningham: Up to 85 cents, rather.

Hon. Mr. Snow: If I might just comment on the TTC cash fare going from 75 cents to 85 cents, sure, there are some people, I suppose, on a casual basis, who use cash fares. I don't think the average TTC rider puts cash in the box every day.

In fact, the general manager of the TTC says they have a big problem with people putting in dollar bills; they have to hire people to unfold dollar bills that are rolled up and stuffed in the fare box. Those riders don't get any change back, but they don't have the 75 cents, so they put a dollar in.

Mr. Kerrio: If they had three friends they could take a cab.

Hon. Mr. Snow: When you look at the individual fare increases, sure, the 75 cents to 85 cents increase is above any guidelines, but the normal tickets or tokens which a great many people use have gone up 6.67 per cent in price.

The pass has gone up 6.92 per cent; the student and senior citizens fare, 6.67 per cent.

The very high proportion of the fare volume is increased in the neighbourhood of just under seven per cent. That, of course, is based on the provisions of Bill 179, and the passing through, I believe, of their increases in fuel costs, which are beyond their control.

Mr. Cunningham: It says here in the Toronto Star that all increases which average 8.4 per cent and are expected to generate an extra \$20 million in revenue—

Hon. Mr. Snow: I don't have the total average here, but those are the individual ticket numbers. It might be 8.4 per cent average when you include the cash fare, which will have a 13.33 per cent increase. For those people who ride periodically, that's going to be a larger increase, but as I say, certainly the commuter using the system on a day to day basis does not have to pay that 13 per cent increase. It's so much cheaper to buy the tokens, which amounts to a 66-cent fare rather than an 85-cent fare.

In general, we fund the TTC very substantially in its operations. This current year almost \$53 million in operating subsidy goes to the Toronto Transit Commission out of a total vote, I might say, of \$100 million for all the transit systems in the province. That is operations. The Toronto Transit Commission is based on the formula. I have not written to the municipalities on next year's allocation yet, as I do each year, to tell them the transit formula.

11:20 a.m.

We have been maintaining the same formula for the past several years with some minor enrichments for new services and things of that type. It is my intention and hope, even with restrained funding from the ministry, to try to maintain the same basic formula for transit funding for 1983 as we have in 1982.

I am not suggesting we are going to be able to enrich it in any way. I am going to have trouble enough maintaining the existing formula. Basically, that is very well accepted. I get very few complaints about that from the transit industry and the municipalities. If you look around, you will find that our subsidy program is considered worldwide as one of the leaders in public transit.

An interesting point—maybe I should not mention this but I will—last week I received a telex from the chairman of the West Midland Transit Authority in Birmingham, England. They are having transit problems over there and

disputes over what the levels of subsidy should be.

A gentleman—I cannot recall his name now—who is a councillor from Birmingham, England, and chairman of the West Midland Transportation Authority, has invited me to come to England next month to attend a one-day seminar at his expense. They have offered to pay all my expenses if I would come over there and speak to this seminar of politicians and others, I do not know who. I think everybody except Her Majesty is going to be there.

Mr. Cunningham: I think Mr. Samis and I should go with you.

Hon. Mr. Snow: I do not know if they would pay your expenses or not. I would be glad to take you with me at your own expense. I have not given them a commitment yet because I am trying to sort out some other things. He wants me there on January 25. I inquired as to whether there was any flexibility because it happens to be a bad day for me, but I am trying to rearrange my schedule if possible so I can go. It is not going to be any great jaunt to fly eight or nine hours to get to London and up to Birmingham to attend a one-day seminar and come back. In January, in the fog and the rain of England, it is not really a luxury trip I am looking forward to.

Mr. Cunningham: I have changed my mind already.

Hon. Mr. Snow: If you and George want to come along, maybe we could fly down to Lisbon or someplace and spend a few days there.

Mr. Cunningham: Now you are talking.

Hon. Mr. Snow: We do not have the Challenger, so we cannot use that.

The Vice-Chairman: Are you going to sell some Urban Transportation Development Corp. while you are over there?

Mr. Cunningham: That is the next subject I wanted to raise. It almost slipped my mind, and I want to thank the chairman for assisting me.

Hon. Mr. Snow: I just mentioned that because that is the status we have in public transit on a worldwide basis. I am being invited to go to England to try to help them sort out their system.

Mr. Cunningham: That is very generous of you. I have one more question pertaining to the announcement by the TTC of its 1982 long-range plan. I have not had the opportunity to go through every page in detail, but I am so far up to pages 70 and 71—

Hon. Mr. Snow: I have not got that far. I got it on my desk yesterday, but I have not had a chance to look past the cover.

Mr. Cunningham: Maybe we can just give you a sneak preview of pages 70 and 71 where they talk about technology choice. They indicate that a further question raised by possible future rapid transit decisions is the choice of technology.

"The decision to utilize the intermediate capacity transit system technology on the Scarborough rapid transit line has introduced a new transit mode in Metro. As yet, ICTS is unproved in revenue service, and future modifications may be required to ensure efficient operation." I did not write this. I had nothing to do with the preparation of this.

Hon. Mr. Snow: There is nothing wrong with what you said so far. Carry on.

Mr. Cunningham: "The question arises as to the impact of a commitment to ICTS technology on future rapid transit decisions. Initial indications are that ICTS, while able to provide a quality service, has a relatively high capital cost. Furthermore, it requires full-grade separation similar to the existing subway system which may not be required for potential suburban rapid transit applications. ICTS may not be the appropriate technology choice for all future rapid transit facilities in Metro, just as it is unreasonable to expect that subways or buses alone could meet all of Metro's future transit needs.

"The key to cost effectiveness will be the choice of an appropriate technology to meet the needs of a specific application while considering the need for system integration. It is recommended that the TTC, as the agency responsible for rapid transit operation, be responsible for the choice of technology for future rapid transit, each application to be reviewed on a specific needs basis. The current commitment to the ICTS technology for Scarborough should not define a future commitment to ICTS for all future rapid transit facilities."

I think they have been very polite there, but what they are saying is they want to choose their own technology and they want to determine in the interests of people using the system, a very fine system, what the appropriate technology should be. They are very clear in saying that may not be the ICTS technology.

Hon. Mr. Snow: I fully agree with that. I find nothing wrong with what you have read out at all. For that specific reason, the Urban Transportation Development Corp. has developed

not only ICTS technology but also the light rail vehicle or the streetcar. There is the articulated streetcar, which TTC is most interested in, and which we discussed the other night. They have one of those running right now providing very reliable service. There is the ICTS linear induction and the advanced technology with the rotary motor that we are proposing, which will be available on the intercity system.

So there are four different technologies that will be available, in addition to the normal subway system and the articulated buses which, again, MTC has developed in conjunction with the municipal transit authorities. Basically, the articulated buses were developed to meet a need identified by the municipalities.

Mississauga, Hamilton and Ottawa came to us wanting articulated buses. At that time TTC was not interested in articulated buses, although once we started to develop them, it came back and wanted some. There are a great many technologies available. I do not feel ICTS or any other one of those technologies is the only thing that should be used on all corridors because that is not the case.

Mr. Cunningham: You have conveniently mentioned four products your company sells.

Hon. Mr. Snow: General Motors happens to sell the buses, I believe.

Mr. Cunningham: You are talking about the articulated streetcars?

Hon. Mr. Snow: Yes.

Mr. Cunningham: You talked about the Canadian light rail vehicle. I do not know what the final cost was per car here, but I know we had to subsidize—

Mr. Gilbert: I do not have it right here. We do have it, but it is very much in line with what streetcars are selling for. Mr. Lennox did the review for us because we were interested in that same subject.

Mr. Cunningham: Did we not spend \$14 million or \$15 million more than the contract price offered to us by Bombardier Inc.?

11:30 a.m.

Mr. Gilbert: We are comparing apples and oranges because what we had from Bombardier and Hawker Siddeley at that time were proposals; they were not firm contract prices.

Hon. Mr. Snow: Bombardier's proposal had acceleration from inflation clauses built into it and what not. If the Bombardier proposal had been accepted, there no doubt would have been

increased cost on that as well. Many of these things are tendered on that basis.

Mr. Gilbert: When the whole project was completed, Mr. Cunningham, we had our financial controller look at it because we were interested in what was the cost as compared to the cost around the world. We found that the cost was really more than comparable, as I recall.

Mr. Cunningham: It would sound to me that the planners at the TTC have had a long look at an American study that I had the opportunity to go through—I think it was done in 1980 or 1981—entitled *Better Alternatives for People Mover Systems*. You may or may not have a copy.

It is quite a comprehensive report. It is a very fine document when one contemplates the great capital cost that goes into these systems, and the permanence of the system. You don't buy one of these things and then scrap it. You buy one and hope it works and serves your purposes because of the cost.

Mistakes can cost you a lot of money, which is the basis of the concern I've had on this whole operation for a number of years. In that report, and reflected again in the TTC report, they are both suggesting that a great deal of independence of thought has to be given not only to the choice of technology but the entire set of options that are available to you. Decisions cannot be made in isolation. You have to contemplate whether or not bus lanes on, let us say, Yonge Street, strictly for buses, would be the way ahead.

Hon. Mr. Snow: We agree with that. We're subsidizing reserved bus lanes right now with TTC as a transit mode rather than as a highway mode, at a high rate of subsidy for reserved bus lanes on the new Allen Road extension on up to Finch and so on.

Mr. Cunningham: That's marvellous.

Hon. Mr. Snow: That's part of our program right now.

Mr. Cunningham: That's the way you've got to go, not specifically bus lanes but—

Hon. Mr. Snow: We've given them the option to use that technology.

Mr. Cunningham: As you replied to my first question, you conveniently or otherwise mentioned four products that your company or our company are involved in the manufacture of. If you could delete ICTS and put in UTDC, I think

that the terms here on page 70 and 71 are juxtaposable.

What they are saying here is they want complete independence, as they've had over the years, generally speaking, in the choice of their technology. It's not a matter of simply saying they should have the independence to pick whatever mode of UTDC product you want to sell them. It should be the independence to pick whatever option is available to them and not just one of the four or five that UTDC happens to be involved in right now.

Mr. Gilbert: But Mr. Cunningham, when you say, independence, you have to remember that in the case of TTC—and God bless them, they are a great organization—their capital funding comes from two sources. One happens to be metropolitan government, 25 per cent; and the other happens to be the province of Ontario, 75 per cent. You say they should have complete independence. You are not suggesting that even from the Metropolitan Toronto government they should have independence.

Mr. Cunningham: You've anticipated, as you often do, my next question. You people have been very generous with the taxpayers' own money going back into the system. I do not believe that entitles you to the right or privilege to force-feed your product on the TTC.

This document is a very interesting document in so far as the TTC is, in my view, for the first time in a long time being very independent here. They are staking out their turf. Their advisory committee are very capable people, including Professor Richard Soberman, director of the York University of Toronto joint program in transportation and formerly with the UTDC. I won't bother you with all the others. They include Eli Comay, and there are some very good people on their external advisory committee, not to mention the people that they are able to utilize who have already worked for the TTC.

What they are doing in this very fine report, in my view, is staking out their turf. They make it very clear that they want some independence and some guarantee of independence in the choice of appropriate technology for the next several, if not many, years. I think the next five or 10 years for the TTC are going to be very crucial years.

It is acknowledged with some fairness that it is one of the finest systems in the world. I am not as sufficiently well travelled as the minister to know which are the finest systems in the world. I just haven't had that opportunity to get around

the world yet, but let's say there can be very little argument that this is one of the finest.

This system, however fine it may be, experiences the cost difficulties I referred to in my earlier questions, at least costs as they relate to the fare box. The next five or 10 years for this system are going to be of absolute fundamental importance in terms of cash efficiency, in terms of integration with GO and the Toronto Area Transit Operating Authority, in terms of servicing the outlying areas, in terms of maintenance, in terms of looking after just the Yonge Street subway which is at present terribly overcrowded, especially at midtown. There are great pressures on these people. They are very wisely indicating they should have this technology choice, not a choice of what UTDC product you want, but what product, in their opinion, serves the needs of the people.

Mr. Gilbert: Mr. Cunningham, even—I won't say "even"—the TTC people are the first to acknowledge that one of the reasons that they are one of the finest systems, if not the finest system in the world, is the co-operation they have received from the province to make it that way. You can't disregard that fact. When you talk to Mr. Savage or to any of those people, they are the first to say that. When they go to meetings in the United States and other places, they talk about the co-operation between the Metropolitan Toronto government and the province to allow them to keep up the standard they have.

Mr. Cunningham: I commend you for it. The policy would be no different if I were sitting in the minister's chair, which probably will never happen. That's marvellous. They had a fine system before the UTDC came along. That level of co-operation is—

Mr. Gilbert: But they had needs and they are the first to acknowledge that

Mr. Cunningham: Sure they did, but they were doing international consulting, for instance, long before the UTDC came along. That arrangement was interrupted somewhat. I believe they had co-operation with the government through the 1950s and 1960s. In fact, if you do an historical analysis of it, the areas of most rapid development were the 1960s. That was probably the most progressive decade that this municipality or that the whole country has seen in terms of municipal transit in Canada. It took place right here, right in Metropolitan Toronto, between our government and the TTC. That was a matter of fact. That was long before the Ontario

Transportation and Development Corp. and its successor, UTDC, and all the successor companies that have come along.

What I am saying to you is I think these people are being somewhat courageous, given the political exigencies that exist and the level to which they rely on you. Given some of the political flavour of the commission itself, they are being somewhat courageous and demonstrating some foresight on pages 70 and 71 of this report when they indicate they want to have some independence in selecting the technology. What I want to say to you very clearly, unequivocally, is that those choices should not be limited to what brand of UTDC products you want.

Hon. Mr. Snow: I didn't say, Mr. Cunningham, that they were limited to that. No matter how I say it, you read it another way, it seems. The fact is that the Urban Transportation Development Corp. and the government do not see intermediate capacity transit system as the answer to all transportation needs. That's why we have developed other modes of transportation as well that can be developed and manufactured here in Canada.

11:40 a.m.

At the time of the tender call for the Toronto streetcars, it was a UTDC design. Whether that car had been built by Bombardier or by Hawker Siddeley Canada Inc., it was a UTDC design.

At that time, and I'm almost positive that I'm right on this, Bombardier did not have a streetcar to offer anybody. They now have a licensing arrangement with a French firm, as I said the other night, to manufacture this French-designed car and sell it any place they want. They didn't at that time. They fed on the UTDC design, just as Thunder Bay did.

There were proposals. They were very close. I think the technical evaluation, the financial evaluation, of the UTDC board of directors was that Bombardier had the winning bid. A conscientious decision was made, again, to save Hawker Siddeley, or to save Thunder Bay plants. A conscientious cabinet decision was made to buy the cars from Hawker Siddeley, even though it did cost \$2 million or \$3 million more than we estimated at the beginning.

Again, to say that the total cost overrun or acceleration wouldn't have happened with Bombardier is wrong. There would have been increasing costs and escalation with either company. Don't get me wrong. I'm not badmouthing Bombardier in any way. I think they're an

excellent company. I've been through their plant. That decision was made.

When you get to the Scarborough intermediate capacity transit system line, the decision to change the technology from the streetcars to the ICTS there—and I say this emphatically—was in no way promoted by me, by anybody within my ministry or, to my knowledge, by anybody within government.

It started out as a request of the Scarborough council, with the exception of the mayor, which was aware of the ICTS technology. When the Scarborough line was first designed, it was designed for streetcars. ICTS was not developed completely at that time. By the time they got around to building the line, the municipally elected people in Scarborough decided that they wanted the ICTS technology. They went to Metro Council. Metro Council considered it. It went to the Toronto Transit Commission on whether it was reasonable to change technologies.

Our only part in it was when they came back and wanted to know about the additional funding, which we agreed to.

Mr. Cunningham: I have a radically different impression.

Hon. Mr. Snow: You can have the radically different impression now—

Mr. Cunningham: Paul Godfrey would wind up all his guys—

Hon. Mr. Snow: I may be a lot of things, Eric, but I am not a goddamned liar.

Mr. Cunningham: I didn't say you were.

Hon. Mr. Snow: When I tell you that, I mean it. I don't think there is any doubt in the years we've known each other that I've ever told you anything that wasn't right. I don't think anybody else in this building, this government or this country can say that.

Mr. Cunningham: I would never accuse you of that.

Hon. Mr. Snow: I'm telling you the way it happened. That is the way it happened. It cost us the extra money. We conscientiously agreed when I took the matter to cabinet, when Metro came and asked to change the technology.

Since the funding was all approved at the Metro level for the one system and that this was going to cost more, they asked us to pay the 100 per cent of the overrun rather than the 75 per cent, taking into consideration that it ended up with a full grade separated system.

Sure, we were anxious to get an ICTS system in Toronto. I'm not saying we weren't. I would

be crazy to say we weren't. Certainly we want to promote our own products. I think the right decision was made.

Mr. Cunningham: On that point alone, what did it cost to redo the Kennedy Road station to accommodate the wider radius?

Hon. Mr. Snow: I can't tell you that exactly.

Mr. Cunningham: Is there anybody here who can tell me how many millions it cost to redo that?

Hon. Mr. Snow: I don't believe I have that detail. We would have to get the comparable estimates from the Toronto Transit Commission. As I say, the TTC is doing the design, the tendering, the contract awarding and the contract administration on all those items.

Mr. Wilkes, do you know the cost of the Kennedy alterations?

Mr. Wilkes: I haven't got the exact figures, sir, but it's quite moderate and it's a question of changing the radius by a reasonably small amount. The car technology was changed slightly. Those two changes now are such that the system can be accommodated around that loop with relatively small change to the structure that was built before.

Mr. Cunningham: What, \$2 million?

Mr. Wilkes: No, it's much less than that.

Mr. Cunningham: I've made my point, Mr. Minister. I talk independent technology and you keep coming back and talking about Canadian light rail vehicle or intermediate capacity transit system or advanced light rapid transit. That's fine, but those just conveniently happen to be Urban Transportation Development Corp. products.

Hon. Mr. Snow: They also basically happen to be the only Canadian products that are available, with the exception of Bombardier. Bombardier now has a French-designed streetcar.

I don't hesitate to say that we want to keep the jobs in Canada. Again, I'm not badmouthing Bombardier at all because a considerable percentage of the content of a vehicle built by Bombardier is Ontario content. If Bombardier wins a contract for streetcars or subway cars in New York, that's good for Canada and that's good for Ontario industry.

Mr. Cunningham: It's good for Westinghouse in Hamilton.

Hon. Mr. Snow: It's good for everyone that is involved, so you won't get any argument from me there. With the needs we have in Canada, I still say it was good to develop Canadian

technology. It's good to try to build our requirements here in Canada, whether it be buses, streetcars, automobiles or whatever it may be.

Mr. Wildman: Or mining machinery.

Hon. Mr. Snow: Right. Airplanes, jets, water bombers, it doesn't matter what—

Mr. Piché: Dash-7s.

The Vice-Chairman: Thank you, Mr. Minister and Mr. Cunningham. Are there any other problems with municipal transit, in the north or wherever?

Vote 2708 agreed to.

On vote 2704, provincial highways program:

The Vice-Chairman: Now we'll move on to vote 2704 to complete that. That's the provincial highways program.

Mr. Kerrio: Am I still on that list?

The Vice-Chairman: Not on the present one that I've got. You may be have been on a previous one. I've got Mr. Piché, Mr. Wildman, Mr. Stokes, and now you, sir.

Mr. Kerrio: Thank you.

Mr. Piché: Mr. Minister, I'm the member for Cochrane North.

The Vice-Chairman: Yes. I'm aware of that. Interjections.

Mr. Piché: My concern is a road to Detour Lake. We've discussed that many times during the past years. I've got a file here, very thick, about the matter.

What is of some concern to me, and that's why I thought I would come here and discuss the matter with you while you have some of your officials here, is the release that was made—

Hon. Mr. Snow: Well, then I can leave. You don't want to talk to me.

Mr. Piché: No, I would like you here. That's why I'm here. The heading in the Timmins Daily Press of Tuesday, November 30, was that the public gains access to Detour by way of the Abitibi-Price road.

As you are aware, the road from Detour Lake to Cochrane, which will cost—and I'm going to have to guesstimate it at roughly \$40 million—is not open yet. It's still under construction. It should be open in 1983, as I understand it. Already, a minister announces a second road to Detour Lake.

Hon. Mr. Snow: Now, René.

Mr. Piché: I'm going back to the press release here. I'm going to get to that before you say, "Now, René."

Hon. Mr. Snow: We are not building a second road to Detour Lake.

Mr. Piché: Give them access.

11:50 a.m.

Hon. Mr. Snow: Will you keep within the reasonable confines of credibility?

Mr. Piché: Yes, I am coming to the release. After I have gone through that, you will see what I mean.

Although there is a road, I can understand possibly having access to Detour Lake through Iroquois Falls, which is in the Cochrane South riding, the Honourable Alan Pope for the record, but I am a little disturbed about this announcement. I understood from your ministry and everyone else with whom I discussed this that at least the mayor of Cochrane and the mayor of Iroquois Falls, myself and Mr. Pope would sit down to discuss this matter.

If we do have a road that is going to help Iroquois Falls, as Mr. Pope says, this could be a different story. The purpose of bringing this up is that the road is already being built through Cochrane, and if you do go ahead with this access road with the agreement you are making with Abitibi-Price to call it a public industrial road, from what I can see, prior to any discussions, it will cause some hardship as far as the people of Cochrane are concerned.

I sent you three or four of these maps. Can that go in Hansard? I do not want to miss anything here. You will see where the green part is the actual road to Detour Lake from Cochrane. From Cochrane you can go to Timmins two ways and one way to Iroquois Falls. There is already a road.

If you built this section, 35 kilometres through Iroquois Falls, then you are bypassing Cochrane completely. If you look at the two points, it is a direct road to Timmins, certainly not to Iroquois Falls. That is of some concern because the road from Detour Lake, which was supposed to help the region of Cochrane, is going to completely bypass it because it is a direct road to Timmins, using Iroquois Falls.

The article here mentions that Cochrane already has all kinds of advantages as far as roads are concerned, but the road has never yet been opened; it will not be opened for another year. So how can Cochrane get all the advantage? This is of concern.

I got a hold of the company and they gave me information as to where the jobs are right now. Their latest figures are dated October 31. In this the Timmins area is getting 44 jobs, Cochrane

22, Kirkland Lake 10, Hearst-Kapuskasing six, Cobalt four, Matheson, seven, and Iroquois Falls three. If you put those two together, that is 10, because Matheson and Iroquois Falls are about the same.

You can see that without this access road being there, the jobs are already going to tender. Iroquois Falls, even without this access road for which you are going to sign with Abitibi-Price, even if you count that, is getting jobs and there is a road there right now, through Cochrane.

Without taking anything away from Iroquois Falls, it is one mine which is going to hire 300 people, but there will be no one living at the site but employees. We are already spending about \$40 million for that road, which was a good decision, and I am certainly not against that. What I cannot understand, though, is that now, all of a sudden we are talking, before the road has been opened, of putting in an access road that is going to cost your ministry, or save Abitibi-Price, whatever, over \$100,000 a year for upkeep. That is also in the press release that was given out by Mr. Pope, of which I was not aware.

Here are some of the quotes I would like to put on the record. "I know that the community of Cochrane would like to have exclusive access to Detour Lake. Most of the local jobs have gone to Cochrane." Well, I just read the record, and that is not true. "I think that they have a start and an advantage and it is time to spread this around." The road has never been opened yet.

If you were to open the road next year, as it will be opened, and wait a year or two to see what happens, and Iroquois Falls, which has connections to Detour Lake through Cochrane—

Mr. Wildman: Those are not the only connections they have got.

Mr. Piché: You could see the problem this could create. What I am asking you this morning, and I could go through all this, but—

Hon. Mr. Snow: Let's get to the question.

Mr. Piché: If you're going to sign this agreement with Abitibi-Price—and I don't know what happened between Abitibi-Price and the Ministry of Natural Resources or your ministry—before you go ahead and sign it, will you give the opportunity to myself as the member representing that riding, Mr. Pope, who represents the other riding, and the two mayors to sit down and go through the information we have here, the map which shows it all, and see what kind of understanding could come about?

Failing this, I would hope if Abitibi-Price goes ahead and gets a public industrial road with your ministry it had better be ready to open all its roads to the public in the future as far as other areas in northern Ontario are concerned. I don't know why they would go for that. You know there is danger involved because what these loggers' trucks haul could be dangerous. That comes from someone from your ministry who has stated that.

That's the only thing I am interested in this morning, and that's why I bring it up to you. I've tried to get you in the House, but every time I am heading your way, you disappear someplace.

Mr. Kerrio: He is trying to avoid a collision.

Hon. Mr. Snow: It would be a hell of a collision.

Interjection: I would hate to be caught in the middle of that one.

Mr. Piché: The last quote I would like to read from this, and I am going to come back to that, is from Mr. Pope: "I am satisfied that everyone has had their say and I am happy the government has decided to go ahead with this and comply with the wishes of the communities of Iroquois Falls and Matheson."

I must say that I didn't have my say and I'm the representative there. The town of Cochrane did not have its say. They want to come and meet with you, as I've told you before, meet with the Premier as the town of Cochrane officials did. I said, "No, I have everything under way." Then I go home one day and one of the radio stations calls me and tells me that it has been announced. You know how I felt.

What I want from you is some kind of a commitment this morning, which I know you will give, that we will, and the Minister of Northern Affairs (Mr. Bernier) would also be pleased to attend that meeting, as he mentioned to me—

Hon. Mr. Snow: Yes?

Mr. Piché: Yes. That's in the record.

Mr. Kerrio: René, do you think every member should have that option of sitting down with the minister when there are roads in his area?

Mr. Piché: We have. Every day in the House you can go and talk to the minister, as I do. That's where you do most of your work.

Hon. Mr. Snow: I sit down with as many members from across the House as I do from my side.

Mr. Piché: That's right.

Mr. Kerrio: I'm pleased to hear that.

Hon. Mr. Snow: Just the fact that you didn't come in with your municipality the other day — no, that wasn't you.

Mr. Kerrio: March 19 didn't affect you then, as it has some other ministers.

Hon. Mr. Snow: You know better than that.

Mr. Kerrio: It's good to hear.

Hon. Mr. Snow: Are you finished, René?

Mr. Piché: No, I'm not finished yet.

Mr. Kerrio: He's just getting into third gear.

Mr. Piché: All I'm requesting is that before you proceed with this agreement, if you proceed at all, you should look into what that is going to do to Cochrane, will it affect them adversely, and also the same thing with Iroquois Falls. I am interested that both communities are looked after and protected as far as this is concerned, and that you will not sign anything until the member for Cochrane South (Mr. Pope) and the member for Cochrane North, myself, and the two mayors sit down and deal with this matter as it should be dealt with in this government.

Mr. Stokes: That is eminently reasonable. Just say yes.

Mr. Piché: Would you pass the map here? I think that is a better one.

Hon. Mr. Snow: I have that one, too.

Mr. Piché: You must have a dozen of those.

Hon. Mr. Snow: I've got it right here in my case. To reply to the honourable member, I would correct a couple of things. We did not build a road from Cochrane to Detour Lake. We built a road basically from the end of an Abitibi road that was in existence, a company road, and took over a section of the company road to come down to Highway 652. I must be getting past 50 more than I thought because I need glasses.

Mr. Piché: But you built the great majority.

Hon. Mr. Snow: Highway 652 runs easterly from Cochrane out to a junction of three industrial roads. Perhaps I shouldn't use the word "industrial." There are three direct access roads, one of which goes on across to the Quebec border and under which there is some type of a maintenance agreement with Abitibi-Price, I believe. There is a road then that runs from that four-way junction to the north for a number of miles, which again is a forestry road. We took over that road and then extended it the 100-odd miles to Detour Lake. We built that section of road to improve the standard, and we built the Detour Lake road, which is nearing

completion. It will be completed, I believe, and opened in mid-1983.

12 noon

In addition to that, there is an Abitibi road that runs south from those four corners down to the mill at Iroquois Falls. It's not a road that we're going to build. It's in existence. It is presently used by the public to some degree, although it is not officially a public road.

In the north we have many agreements with the industries regarding roads which have been built by them under different programs with the Ministry of Northern Affairs and the Ministry of Natural Resources and which are open to the public. This road is there. It's a direct access route from Iroquois Falls to those four corners east of Cochrane.

If it were a point of building a new road at that location, or if it were a point of even taking over that road totally as a provincial highway, I could understand your feeling more. I certainly understand your viewpoint. I understand Mr. Pope's viewpoint.

I've got two of my colleagues who have absolutely different viewpoints on a particular issue. I happen to be the guy in the middle, and I have to look at it through as clear a glass as I possibly can. That road is there. All we're proposing to do is to enter into the normal agreement with Abitibi-Price Inc. to make that road part of what we would call an industrial road agreement.

We do not anticipate spending any money on the road. The road, I understand, is built to higher standards perhaps than what our Detour Lake road will be. It's a wider road. It has the one narrow bridge, but that's not a problem with the traffic that is on it. The one bridge just north of Iroquois Falls is an old railway bridge which has been adapted for highway use and is consequently narrow.

In looking at the situation from an energy standpoint and everything else, it just has to make reasonable sense to me that this road can be available to the public, whether there be few or many who may want to go from Iroquois Falls north via that route. It's not a case of putting millions of dollars more money into building a new road. It is a road that is there. I think that as many of these roads as possible in the north should have public access to them.

I am in, as you know, the impossible situation of having to deal with a problem in which two of my colleagues, whether they be both of the same party or of a different party, have a difference of agreement on that particular road.

Strictly looking at it from a transportation point of view, I feel I have no alternative but to agree to make that road a public access road.

I have certainly discussed the matter with you, Mr. Piché. I fully understand your viewpoint. I've discussed it with Mr. Pope. I've discussed it with both of you. I've had input from Iroquois Falls and from Cochrane. I've had letters and resolutions from them. I certainly know the feelings of the two communities.

Mr. Stokes: As a supplementary question, what would be the status of that road from Iroquois Falls northerly to pick up with the existing—

Hon. Mr. Snow: Which road is that?

Mr. Stokes: This road from Iroquois Falls north, which you say is an industrial road.

Hon. Mr. Snow: That's a private forestry road now.

Mr. Stokes: But what will be the status if you follow that configuration?

Hon. Mr. Snow: What we will do is enter into an agreement with Abitibi-Price, where we will pay a percentage of the maintenance cost on that road. I think it costs Abitibi-Price about \$100,000 a year to maintain that road.

Mr. Stokes: So the status won't change.

Hon. Mr. Snow: They will continue to maintain that road. One of the proposals was that we take that road over as a secondary highway. That has all kinds of complications.

Mr. Stokes: Would they have to pay a license?

Hon. Mr. Snow: They would have to pay tax, licensing through tax, load limits and so on, whereas they do not do that now.

Mr. Gilbert: Does the act allow us to enter into this industrial agreement? Does that just allow cars to travel on that road?

Hon. Mr. Snow: We pay a contribution under our industrial road agreement for the maintenance of that road.

Mr. Stokes: But the status will not change.

Hon. Mr. Snow: No, the status does not change. The only thing is that it will show on our map as a private road with public access.

Interjections.

Hon. Mr. Snow: We already have an agreement. It is not a new road that we're building.

Mr. Piché: It is a new access, which is like a new road.

Hon. Mr. Snow: From a transportation stand-

point, it will give access to that area, whether it is for tourists or for people going to—

Mr. Piché: Timmins.

Hon. Mr. Snow: —the mine. Cochrane is still going to be the town on the provincial highway and on the way to Detour Lake. You can appreciate the position I'm in.

Mr. Piché: I appreciate that you're in a difficult position. Don't you think it would make more sense, though—and you didn't touch on that—first, to go through this agreement? Why don't we finish the road, open it and see what happens?

The other thing is, what is wrong in good government that we don't get the two municipalities involved or the two members to deal with—

Hon. Mr. Snow: René, let's be reasonable.

Mr. Piché: Yes, let's be reasonable. That is what I'm trying to tell you.

Hon. Mr. Snow: There has been no lack of discussion on this particular issue among Mr. Bernier, myself, yourself and Mr. Pope.

Mr. Piché: But before you proceed, shouldn't that be part of good government, good public relations and good anything you want to call it, for us to at least have that particular meeting, even if we have more than one?

Hon. Mr. Snow: Certainly. If you want to bring down your guns from Cochrane, I will be glad to meet with them anytime.

Mr. Piché: I thought that we would get the two municipalities involved. I will do that. I will take you up on this. I think they should come here and discuss the matter with you. I had asked them not to because I thought I was ahead of the game until that press release came out and caught me by surprise.

Hon. Mr. Snow: It caught you by surprise? I was not aware of Mr. Pope making any announcement. I do know that I have made up my mind that it is only reasonable to enter into an industrial access road agreement on that particular road.

From a transportation standpoint and from my responsibility to the people of Ontario, to Mr. Pope's riding, to your riding and to the whole area, I do not feel that the public should be deprived of the use of that road.

Mr. Piché: The argument I gave you was that it will bypass Cochrane completely, that it is a direct access from Detour to Timmins. That is exactly what is going to happen. That doesn't

seem to hold up too much as far as you are concerned.

This is the argument I am bringing to you. Maybe if we are going to go ahead with the road—

Hon. Mr. Snow: It cuts the corner off—

Mr. Piché: It cuts the whole area of Cochrane off. That's what it does.

Hon. Mr. Snow: It cuts the corner off. If people want to travel that road, I still think the majority of people will travel the red lines of the provincial highway, which will be a paved road maintained to quite a different degree than that road would, although I understand that it is a very good gravel road.

Mr. Stokes: Is that a brand new section of road from Cochrane east to the junction of the access road?

Hon. Mr. Snow: No.

Mr. Stokes: That, too, is an existing road.

Hon. Mr. Snow: That is an existing secondary highway.

Mr. Piché: This road will cost \$143 million. This is the estimate to build the road to Detour Lake. That's to Cochrane. I understood that there was no cost in the section to Iroquois Falls, but there would be a maintenance cost of over \$100,000 a year.

Hon. Mr. Snow: There is going to be a maintenance cost on 652 over to Cochrane too.

Mr. Piché: I know. I realize that. I thought you would let the road go in, see what happens and then make a decision on this road. It might turn out that this road will be a good thing in the long run, but to do it so fast and without discussion—

Hon. Mr. Snow: If we were building a road, I would agree with you, René. The road is already there, and people are already using it. As I understand it, people use that road now to go hunting and fishing and so forth.

12:10 p.m.

Mr. Piché: That is not what I understand.

Hon. Mr. Snow: Abitibi Price has never refused the public access on that road. There are no signs up or anything else. There may be a sign that says private road to relieve them of liability or something like that, but all the difference we are really doing is saying on the map that the public has a right to drive on that road.

The Vice-Chairman: Mr. Piché, the minister has offered to meet with—

Hon. Mr. Snow: I have a friend who comes from Cochrane. If you wish, I could arrange that.

Mr. Piché: In the meantime, I take it that you will not sign the agreement, if you will sign it at all.

Hon. Mr. Snow: I don't know. I do not want you to arrange that meeting three years from now and expect me to give you a commitment that there will be no agreement signed until we have that meeting. I am afraid that your people from Cochrane, if I give you that commitment, may find it very difficult to have time to meet with me.

Mr. Piché: We have at least a year because the road will be open in a year, the other section.

Hon. Mr. Snow: I have not been rushing into signing the agreement, but I would hope that within the next month or so if for some other purpose your people are coming down to Toronto, I will try to fit my schedule into it so that they do not have to make a special trip.

Mr. Piché: Better than that, maybe you and I can hop over there.

Hon. Mr. Snow: We could take the Toronto bomber and go to Cochrane.

The Vice-Chairman: Thank you, Mr. Piché. The next question.

Mr. Wildman: This may sound funny coming from an opposition member, but I want to offer congratulations to the ministry on the condition of the new portions of Highways 556 and 638 in my riding. As the minister and the deputy minister know, I have been pushing for some time for the improvement of secondary highways in that area of Algoma and I am sincerely very pleased with what has been done there.

I would like to have some information, some timetable, as to future plans for extension of the improvement to Highway 638 down to the present paved section east of Echo Bay, as well as some indication of when the next contracts for further improvements to the Searchmount Road will be going ahead.

Hon. Mr. Snow: First of all, it is somewhat unfortunate as to whether the timing is right. I meet with the Minister of Northern Affairs (Mr. Bernier) and his staff on an annual basis to set up the program for the next fiscal year. It so happens that that meeting is tomorrow morning from eight to 10 o'clock before the House meets. It was supposed to be last week but for some reason or another—you know that schedules have not been the easiest thing to keep.

I have a preliminary program here which included 1982 and 1983, but that is a year out of date and I would not want to quote you on the information from that. I know there is an ongoing program on all of these roads or most of them and that you naturally cannot do them all at once. With an ongoing program in each district, both on King's highways and on secondary highways, I know that those particular roads have been getting quite a bit of attention. I know that Herb Aiken, the assistant deputy minister of Northern Affairs has been involved.

As I said, unfortunately for our 1983 program, I cannot give you definite answers today on northern Ontario as I can in the south because we have not had that meeting to finalize the program yet.

Mr. Wildman: As I understand it, there is going to be another contract awarded on Highway 556 next year. My question is basically whether that will be in the spring or the fall.

Hon. Mr. Snow: I cannot tell you because all of those contract dates have to depend on cash flow. It may be that the contract is sitting there ready to be called tomorrow, but to be called tomorrow we must spend a lot of money and maybe we only have so much money to spend on that road to keep within our overall budget, so we have to call it in July. Therefore, half of the work would be done in 1983 and half of it in 1984.

All through our construction program this summer, we called a basic number of jobs in the late winter which we are doing now and which are carryovers into next year. Then we call jobs in the spring for spring start. We space the rest of our jobs throughout the summer. We try to keep some work coming out every month for the industry to bid on. We adjust the call dates depending upon cash flow.

Cash flow, in a lot of cases, depends upon a number of things. One is weather. If it is an early spring, the frost is out, and when things have dried up they get started early. We spend money faster. If we have a wet late spring, we will not be starting so early.

Last year, for instance, we had a wet June which slowed down the jobs. In July the weather was beautiful, but everybody was on strike in July in southern Ontario, so during the best weather we had to build highways, nothing happened. Then when the strike was settled at the end of July, it started to rain again during August. The strike slowed down the cash flow, so that let us move some jobs ahead to still keep within the budget.

On the other hand, if we have very good weather, then the cash flow speeds up, so sometimes we have to delay calling some jobs. Where we get caught is at the end of the year when we have to figure out if we are going to close down in the middle of November or have a late fall and still keep working right up until Christmas. We cannot slow jobs down then, and I get in trouble with the Treasurer and the Chairman of Management Board of Cabinet and have to go back on my hands and knees and tell them I am \$10 million or \$15 million over on expenditures.

Mr. Wildman: I will not prolong this. If you are having a meeting tomorrow, I would appreciate it if perhaps someone from the ministry might get in touch with me whenever a decision is made on those two particular highways.

Hon. Mr. Snow: I did not say that final decisions will be made on everything tomorrow, but we are having our basic program review meeting tomorrow morning, following which the green books will be then put together so they will be tabled when the House comes back.

Mr. Wildman: Also, I would be interested to know what the present schedule is for the ministry taking over the Dubreuilville road and it becoming a secondary highway.

Mr. Gilbert: Those discussions are taking place.

Hon. Mr. Snow: We are having discussions on that. I wrote a letter to somebody just recently who basically committed to enter into an agreement to take that road over. In the letter I did not say we were going to build a four-lane road with paved shoulders next year.

Mr. Gilbert: I thought the discussions were going on right now.

Mr. Wildman: Obviously the minister has never been on the road.

Hon. Mr. Snow: Even though that road has been the subject of discussion for seven years, it has been only for two or three months since I have been minister. Hopefully we are going to solve it.

Mr. Wildman: How is it determined whether or not upgrading or maintenance work on a highway will be done by day labour by the district under its ongoing budget, or whether people will be contracted by private contract?

I am speaking specifically about a job that was done on Highway 17 out on the Mississauga River bridge, an iron bridge, which went on and on and on by day labour for it seemed three

years with one lane on the bridge every summer in the midst of the tourist season, which is the main industry, and then finally this year was contracted.

It seemed to me, although the ministry indicated that it was not the case, that the contractor ended up doing a lot of what had been previously done—digging it all up again and redoing it and getting it done very quickly in one year. It seemed to me that perhaps money was wasted where it might have been much more profitable for everyone concerned, the ministry and the provincial taxpayers as well as the tourist industry in the community, if that had been contracted originally and perhaps the job could have been done much faster and earlier.

Mr. Kerrio: Bite your tongue.

Mr. Wildman: This man does not understand—

Hon. Mr. Snow: I do not know whether I can tell you about that specific contract or not. We do a very limited amount of work on day labour.

Mr. Wildman: I am not arguing against day labour.

Hon. Mr. Snow: It is not usually on the main highway systems. We do more work upgrading and improving secondary highways by day labour. When we get into a situation where there is heavy construction and a lot of dirt and rock to move, we tend to go by contract.

12:20 p.m.

Mr. Gilbert: When you get into structures like that—in fact, it can happen even on some of them right down along 401—you really do not know what you are getting into until you get into it, even though you take tests and what have you. I don't know the particular details of that.

Likely what has happened is that it was something that we felt could be fixed. It could not be defined to do the work by contract. However, once we got involved, we found the work was far more extensive than what was expected—and that is not unusual in a lot of these bridge repairs. You really do not know until you get into it just what is happening.

Once you can define the extent of the job, you can put it out and do it quite quickly by contract.

Mr. Wildman: I am not criticizing the—

Hon. Mr. Snow: You have to make temporary repairs to last for a year or two until you can prepare a contract and award it.

Mr. Wildman: That may be the case. I think your explanation is quite reasonable. However, it would seem to me, after the first summer's

work, the ministry might have been able to conclude: "Look, this is an extensive job. We need a whole new deck instead of holding everything up for three years in the community and having a traffic jam in a community of 600 people all summer."

Mr. Stokes: I want to share the remaining time with the member for Niagara Falls (Mr. Kerrio), but I want to echo the sentiments expressed. I happen to think this minister responds more by way of need and a good transportation system than political opportunism. I think that this minister and this ministry generally does an excellent job of getting on with the business of constructing and maintaining roads. I can say the same thing for your regional director, Mr. Neilipovitz.

Hon. Mr. Snow: You'd better. He is sitting right back there watching.

Interjections.

Mr. Wildman: I'm not so sure that we northern members feel the same way about Northern Affairs.

Mr. Stokes: I say, unequivocally, that you and your ministry do an excellent job in responding to legitimate transportation needs within your budgetary constraints.

We attended a meeting earlier this morning—I stayed until the end; you had to leave to come over here—but you mentioned, in response to one of the resolutions by the Northwestern Ontario Municipal Association, passing lanes on the Terry Fox Courage Highway between Nipigon and Thunder Bay.

You were going to build six passing lanes, not in that stretch, but between Hurkett and Red Rock. I would think that if you're going to build six passing lanes between Hurkett and Red Rock, in effect, you are going to construct a four-lane highway.

It's a short stretch of about 17 miles, I think, and if you're going to have six passing lanes in there, that may be a misnomer. I was asked by one of the delegates if I could have you elaborate on that, although maybe not now.

Particularly in the summer, when we have heavy loads and slow-moving recreational vehicles, there is a lot more traffic on that stretch because it is the junction of Highways 11 and 17 westbound. We do get a lot more traffic there than we normally get on most northern highways, and I think we would like some clarification as to where those passing lanes are going to be and how soon we might expect a start on them.

The other thing I want to ask is how soon you can bring up Highway 584 to the level of a decent secondary highway. That's the one between Nakina and Geraldton.

The other one is the Armstrong Road south-erly where we've had an awful lot of trouble. If we had had normal traffic in the last year, with the tree-length loads of all those paper and sawmill companies working up there, we would have got into even more difficulty.

Hon. Mr. Snow: Let's keep it to one road at a time because I can only get one set of papers out. Regarding the passing lanes between Nipigon and Thunder Bay, according to the notes I have, we have a need for six additional passing lanes. It is our intention that passing lanes be included with the resurfacing in the vicinity of Hurkett and Red Rock early in the five-year program.

In the rush that we had over there today, perhaps I did not explain that properly. I don't think that the six passing lanes are necessarily all in the Hurkett and Red Rock area. There are six between Nipigon and Thunder Bay.

We have, for instance, one contract here that Mr. Gilbert is just showing me, east of Nipigon, which includes two passing lanes.

Mr. Stokes: That's fine because that needs to be resurfaced anyway. I was going to mention that.

Hon. Mr. Snow: There are 27 kilometres of resurfacing east of Nipigon, and when that is done, there will be two passing lanes added there. Those are east of Nipigon, which is not between Nipigon and Thunder Bay, according to my calculations.

That is not definitely scheduled, but in our long-range plans, it is probably a 1984 or 1985 contract in that particular area.

Mr. Stokes: It is bad, as any of your regional people will tell you.

Hon. Mr. Snow: We have an ongoing program on the passing lanes, that where we identify the need for a passing lane and where a highway is being resurfaced, we put the passing lanes in at the same time rather than going out and putting the passing lanes in separately.

What was the next one?

Mr. Stokes: Highway 584 and the Armstrong Road.

Hon. Mr. Snow: That would be in the Thunder Bay district, I presume?

Mr. Stokes: Yes.

Hon. Mr. Snow: When we meet tomorrow morning to go over the northern Ontario pro-

gram with Northern Affairs, we confirm the 1983 program and we tentatively set the 1984 program in order that it can be got ready.

A year ago, when we tentatively set the 1983 program, we had a job on Highway 584 from 4.5 miles north of Geraldton northerly to Nakina, 35.9 miles of paving. I can't tell you where that sits. Some of the priorities that are tentatively set a year ahead of time have to be changed. I don't have the 1983 program, or will not have it, until after we meet tomorrow and sort out where the money has to be spent.

Mr. Stokes: Armstrong Road. I think it is 827, is it? It used to be the Spruce River Road. It goes north from Highway 17 to Armstrong.

Hon. Mr. Snow: Highway 527 from 50 kilometres north of Highway 11 for another 22.7 kilometres. We have a contract for another 22 kilometres that was tentatively scheduled a year ago for 1983. I was hoping that we would have had this meeting a week or two ago. We were supposed to have it before I got into these estimates, and then I would have had more up-to-date information.

A year ago now, when we set up the tentative 1983 program, we had another contract on 527 for you. What we are trying to do there is to do a section of that highway each year. We may have to slip a year, but on budget we have an ongoing program to upgrade that road.

12:30 p.m.

Mr. Stokes: I know in my absence from this committee that you have discussed winter maintenance. I know that two of my northern colleagues have expressed their displeasure over the level of maintenance and I also know that there are budgetary constraints, but when you have the elements that we have to deal with in the north—

Hon. Mr. Snow: Think of all that nice, beautiful, crisp cold weather.

Mr. Stokes: It's all right if you're on skates or skis, but if you have to drive a vehicle, it can become pretty hair-raising.

I can tell you about my experience even last Thursday night in driving from Heron Bay to Schreiber, where I was in a white-out all the time. I wouldn't have wanted a snow plough there because you can bet that if there had been a snow plough on that highway under those conditions, either he would have run into me or I would have run into him.

When the dust clears, we like people out there maintaining the roads. I understand that your budgetary constraints, with regard to main-

tenance, does not give either your regional people or your district patrols much leeway, regardless of weather conditions.

Hon. Mr. Snow: Funding is an ongoing problem for maintenance. We have a total vote of dollars for the provincial roads budget, and we split that up among capital, construction and maintenance. I can tell you that we are always very cognizant of the need to maintain our existing system, both in day-to-day winter and summer maintenance as well as preventive maintenance such as resurfacing.

We have to make the decision out of dollars that we have to spend, whether we go in and upgrade another 10 miles of secondary highway, regrade it and improve it, or whether we spend that money on resurfacing one of our main highways which has got to the stage where it needs resurfacing.

We really think that our highest responsibility before new construction is to maintain the existing system and not let it go to pot.

Mr. Stokes: Safety should be your top priority.

Hon. Mr. Snow: Well, sure, we have cut down. We don't mow the grass as often as we used to, paint the guard rail posts and clean the outhouses at lookout points and things like that as often as we used to or would like to.

Our standard of winter maintenance has not been intentionally deteriorating at all through the cuts. We have made sure money is available for that. We have cut down, as I explained the other night, in many areas. For example, we used to keep available three crews on snow ploughs, three eight-hour shifts, three shifts a day. Now we have cut back in a lot of areas to two shifts a day, which under normal conditions can handle it. When we have a big storm and we need 24-hour ploughing, we just work those crews overtime.

Mr. Stokes: Do they have orders to do that?

Hon. Mr. Snow: Oh, yes.

Mr. Samis: Can I just ask on a point of order, Mr. Chairman, how the time situation is?

The Acting Chairman (Mr. McLean): One hour, 23 minutes.

Mr. Samis: Do we have two votes outstanding? I believe my colleague, Mr. Wildman, would like to raise—

Hon. Mr. Snow: Unless anybody gets hungry.

Mr. Samis: Oh, are you offering? Last year it was cigars. This year it's nothing. Last year it was Chicago. This year it has been nothing. I just want to ensure that we have some time for

municipal roads and possibly communications. Would municipal roads be the next vote?

Hon. Mr. Snow: We're on provincial roads right at the moment.

Mr. Samis: No, but I am asking if municipal roads would be the next one.

Mr. Kerrio: Am I legal?

The Acting Chairman: You're legal.

Mr. Kerrio: I am going to discuss just very briefly the same kind of situation. This situation has been a long-standing concern of mine. I was given to believe that it was basically a federal problem, as it relates to the structure.

You are familiar with the area. It is the road that comes from Niagara Falls to St. Catharines, that climbs up the escarpment or down, depending on which direction you are going. Somewhere in the middle of that hill is a structure that I think was built in 1938, and in those times—

Hon. Mr. Snow: It was Mitch Hepburn who built that.

Mr. Kerrio: I would have to think so; he probably started it off. The highways in that day had hardly any separation from the abutments and the road proper. I cannot believe there is a structure standing in Ontario on a major roadway that is as restrictive as that area.

What makes it very dangerous is that when you are coming down the hill, when you brake over the hill and you are looking halfway down it, there is a structure that now has guard rails, which you provided because there were many accidents there. It is just like entering a huge funnel. The overhead is marked, which I think you did in 1976. You put up the guard rails and the flashers, the structural warning, I suppose you could call it.

I raised the question two or three times because I was hoping that somewhere along the line that would go into your program. I was given to believe, rightly or wrongly, that this was more of a federal than a provincial responsibility.

So I took it on myself to check with the federal government, as you are wont to do; when you get in real trouble, you get the feds to bail you out. This is the reply I got.

Hon. Mr. Snow: I don't think it would be a federal responsibility. It is a railway grade separation. If it is going to be rebuilt or repaired, it is up to us or the municipality to initiate the program and apply to them for the money to do it. There is federal money involved in it.

Mr. Kerrio: Yes. What you have said is precisely the case that was described in the letter

back from Jean-Luc Pepin. It said that while this bridge is owned by CN Rail, in this instance it is the responsibility of the highway authority to initiate any reconstruction work.

In addition to that, and I think this is the important thing I would like to share with you so that you might follow up on it, he said: "At the present time, a new bridge is not in the offing at this location, but federal financial assistance is available for this type of work under the urban transportation assistance program until the end of the fiscal year 1982-83."

Hon. Mr. Snow: Ho, ho, ho. Let's get into that one, shall we?

Mr. Kerrio: If such is the case—and I am sure you are much more aware of whether it is or not; I do not go into it in that depth—if there is financial ability or finances available to reconstruct that bridge, I wonder if it is in your program anywhere. As I said, it's a structure that has been standing since 1938 and is so restrictive, keeping in mind the upgrading of that whole system.

I see you are doing a tremendous amount of work at Burlington and other areas in developing a highway system that is going to be able to carry the traffic. Do you have anything in the offing at that specific site, which right now is so restricting?

Hon. Mr. Snow: Not immediately, but apparently we are doing some planning work on that at the moment. We don't have any contract scheduled, however.

Mr. Kerrio: It would appear that the alignment of the highway is such that there has been some planning already done to—

Hon. Mr. Snow: To go back to the urban transportation assistance program, back about four or five years ago, we went for a year or two with no money for grade separation work at all. The federal money back in Otto Lang's days put a freeze on grade separation, and that lasted for about two construction seasons.

Neither municipalities nor the province got any money. Where we had to build a grade separation on a provincial highway, if we were building a new highway, we just had to go ahead and pay for it 100 per cent ourselves because there was no federal money available. Municipalities, of course, could not and would not do that.

Then Otto Lang came out with a five-year program called UTAP, the urban transportation assistance program. He allocated \$10 per capita to each province for the five-year period.

That was \$82,500,000 for Ontario or about \$16,250,000 a year.

Mr. Kerrio: Specifically for grade separation—

Hon. Mr. Snow: No. That program was different from the old grade separation program because the provinces had considerable leeway on what they could do with that money.

They could use it for railway relocation studies, of which we used a small amount for two or three studies. They could use it for public transit or to buy buses for GO Transit. They could give it to the Toronto Transit Commission to buy buses or anything like that.

12:40 p.m.

This was a good program because it allowed the provinces to set their own priorities. I have no objection to the program at all, except to the limited amount of funding. Prior to that, even in the dollars of those days, we were getting some \$20 million or \$25 million under the old grade separation program, just for grade separation.

All of a sudden we got \$18,250,000 for all these things. We had such a backlog of applications by the municipalities wanting to build grade separations that we would allocate all that money, the \$85 million, or \$16.5 million a year, to grade separation. That qualified for either the provincial grade separations on provincial highways or the municipal ones. It was all in the same pot of money.

After a few months, we realized and made a decision that we would build all our provincial grade separations, unless there were unspent dollars, out of provincial money, and we would leave that money in UTAP available for municipal grade separations. That money has all been committed, although it has not all been spent. It is being spent this year. That program was to die March 31, 1983.

Then, about two years ago, Pepin came back and said he would extend the program a year, to March 31, 1984. There were no additional dollars added, not another \$16.5 million for us. They would just give us a longer time to spend the money because some of the provinces were not spending their money and so on. He gave us another year, which we didn't need, because all our money is committed.

Mr. Kerrio: You have never had a problem spending money.

Hon. Mr. Snow: We've got to grade.

Mr. Kerrio: I thought that was in the program.

Hon. Mr. Snow: We've got probably 25 or 30 applications before us right now, and before

Pepin, for municipal grade separations, waiting for funding. However, all the money has been allocated—in fact, more than allocated. There are jobs that are committed and under construction or already built.

We have been pressing Mr. Pepin for more money or an extension of that program. He told me last spring that he was going to take a new program proposal before cabinet, and then he didn't get it done last spring. The last time I talked to him, a month or so ago, he said he was putting a new proposal before cabinet, the Treasury Board, this fall.

As for what is going to happen, he gave me no indication there would be any money for the 1983-84 year because they have extended this program, and now it does not really expire until March 31, 1984. It is to be hoped that there will be more money and that he will come up with a new program.

I contacted him a month or so ago and said: "Look, Jean-Luc, we have eight municipal grade separations ready to go today that are waiting for money. They have their plans and everything—"

Mr. Kerrio: We had one in Niagara Falls with that American railroad.

Hon. Mr. Snow: Anyway, I said: "Look, you're talking about employment and making jobs and so on. If you could break loose some money from the Treasury Board for your share of these things, then these municipalities could get going right away on at least eight of those 35 projects, where they could have started construction almost immediately."

He said, "Yes, that's a very good idea." However, a week later, or a couple of weeks or a month or something afterwards, he wrote back and said: "I'm sorry. It was a good idea, and I realize it would make jobs and what not, but there's no money."

Immediately then, when federal Minister Axworthy and the Treasurer (Mr. F. S. Miller) started talking here every day about this additional federal funding for make-work projects, I immediately tried to get my oar in to see if some of that money could fall under UTAP to help these grade separations, but no, they do not fall within the categories or the parameters of that money.

So I guess our whole grade separation program is up in the air, as you would say now. I also see, reading the paper last night, that Mr. Lalonde is talking about again increasing the

federal deficit to provide money for public works projects.

Mr. Kerrio: Does that particular bottleneck in the highway have any priority on your list?

Hon. Mr. Snow: I drive down the corridor that you're talking about. I foresee that the whole corridor, at least from Burlington to St. Catharines, needs the six-lane program that we're using on Highway 401 and did on the Queen Elizabeth Way years ago.

I would like to be able to tell you that we would start a program tomorrow from Highway 20 and that we would do five miles every year until we got to Niagara Falls, but I just haven't got that kind of money. We have to deal with the highest priorities, which for the next five years are going to be putting money into that Burlington bridge and the approaches to it.

Hopefully, 10 years from now, if I'm still minister, we will start down the Queen Elizabeth Way. I see that as a priority, but we've got so many other priorities in getting Highway 406 finished and getting Highway 403 finished in the Brantford area. Where's Mr. Nixon? He was here a little while ago. He's very interested in that.

There are so many different places we have to spend money on. On Highway 401, for instance, we made a decision that we were going to award one contract a year for the six lanes. One year we would do four or five miles at the east end and the next we would do four or five at the west end.

We kept flipping back and forth, and now that is finished as far as Highway 25 on the west and as far as Highway 115 on the east. That's as far as we're planning to do those six lanes. That's the area that needed it. Hopefully, some day, we will be able to start such a program.

It's not going to be too difficult down in your area because all the newer structures have been built wide, with the odd exceptions like the one you're talking about here and a couple of those old fancy bridges in the St. Catharines area, where we can't get three lanes across. Basically our plan is, some day, to put the concrete median barrier down the middle and extra lanes. If we had lots of funds, we would be starting it right now.

Mr. Hennessy: I would like to ask a question concerning Highways 130 and 590. I'm pleased to see that the regional director is here.

The residents in that area are concerned about the condition of both roads. I would like

to get some commitment on what direction you intend to go in during the next year or two regarding these roads. The people are really concerned about these roads.

I guess you don't even know if it's in Ontario.

Hon. Mr. Snow: Oh, yes, Mickey, we just can't find the page.

Mr. Kerrio: What's going on in that party over there?

Mr. Hennessy: Check that with the Mafia. Get the Mafia in here and straighten things out.

Mr. Wildman: You have to talk to the parliamentary secretary for the Ministry of Northern Affairs. Northern Affairs makes the recommendations on roads for northern Ontario.

Mr. Hennessy: Leo is not here. I can't talk to him.

Mr. Kerrio: He's tending the goats.

Mr. Hennessy: That's right.

Hon. Mr. Snow: As I explained to Mr. Stokes and others, we will not establish our program for northern Ontario until we have our meeting with the Ministry of Northern Affairs tomorrow, when we hope to finalize most of it, if not all of it. We do have a program scheduled for Highway 130, the Kaministiquia River bridge, which is now tentatively scheduled for 1984.

Mr. Hennessy: But that doesn't take care of the roads, with all due respect. The bridge is all right, but if you have no road to get to the bridge you're in trouble.

Hon. Mr. Snow: I mean, you can't do it all at once, Mickey.

Mr. Hennessy: I know that, sir, but I'd like you to.

12:50 p.m.

Hon. Mr. Snow: You're the parliamentary assistant to the Minister of Northern Affairs. As you know, the way the system works, the Minister of Northern Affairs establishes the priorities.

Mr. Hennessy: Do you think that helps?

Interjection.

Hon. Mr. Snow: We would like to have the roadway follow the bridge, to do the bridge one year and the roadway the next year. It would be up to you to convince your minister to allocate the funds. We will be ready to do the job.

Mr. Hennessy: All right. How about Highway 590?

Hon. Mr. Snow: Highway 590? It's the same thing.

Mr. Hennessy: Indeed?

Hon. Mr. Snow: There is a six-mile section of Highway 590 also planned for reconstruction in 1984.

Mr. Hennessy: May I have a written commitment to that, Mr. Minister?

Hon. Mr. Snow: Yes. Send a letter to him and ask him for a written commitment.

Mr. Hennessy: What about you?

Hon. Mr. Snow: The only commitment I can give you is that we can do the work if Leo puts up the funds.

Mr. Hennessy: Yes, but you said you're going to be here 10 more years.

Hon. Mr. Snow: I'm very pleased to help you out. We've had those on the program, Mickey. They're both in engineering and things are getting ready. It just depends on the allocation of funds by the Ministry of Northern Affairs. You've got a direct pipeline to the Minister of Northern Affairs.

Mr. Hennessy: You sure helped me. Thank you.

Vote 2704 agreed to.

On vote 2707, municipal roads program:

Mr. Chairman: Mr. Cunningham, do you have any questions?

Mr. Cunningham: I just have a comment really. I hope the minister looks favourably on the request of the mayor of Flamborough for some more dough. I want to remind him that I've been so nice in these estimates, with that in mind. I hope he remembers that.

Hon. Mr. Snow: I had a very good meeting last week. Unfortunately, the local member wasn't there.

Mr. Cunningham: I wasn't invited.

Mr. Barlow: You have the same problem as René.

Hon. Mr. Snow: It was with the newly elected mayor of Flamborough. I must say, we had a very good meeting with him and with his clerk administrator. There were a couple of other people there, and his engineer, Mr. Sims.

Mr. Cunningham: Sears?

Hon. Mr. Snow: No, the consulting engineers.

Mr. Cunningham: Sears. No?

Hon. Mr. Snow: They have changed.

Mr. Cunningham: Oh, have they?

Hon. Mr. Snow: They came in to see me with regard to funding. Of course, we discussed the

new roads needs study. They had a new roads needs study completed by Totten Sims Hubicki over the past year, which they have presented to us. This study identifies a considerably higher degree of road needs than that which the previous study had identified.

I don't say that this has anything to do with the different firm or the fact that they changed engineers. They did do the update. Many consulting engineering firms do those needs studies for municipalities. They all operate by the same standards and guidelines that are established by the ministry so that all these are supposed to be equal and we can establish the funding level required for that municipality.

Apparently there is a big differential. This new study identifies a much higher level of needs, which would generate a considerably higher number of dollars for them. I told the mayor that the new needs would be fitted into the overall program. We would perhaps not be able to meet their total dollar needs all at once, but we would certainly try to upgrade their level of funding to allow them to do additional road work.

It will all have to be within our overall municipal roads budget. With the constraints that we're going to be under for 1983, I have not been giving any municipalities encouragement to get ready to do great amounts of work in 1983. I'm not sure we will be able to fund it.

We will be looking into it. The new information will be fed into the system, which should help.

Mr. Cunningham: That is 400 square miles or thereabouts of township. To be fair to the township, I don't think their needs have been adequately addressed in their initial meetings with you in the past.

Hon. Mr. Snow: Their needs had been adequately addressed in accordance with the roads needs information that was before us.

Mr. Cunningham: Okay.

Hon. Mr. Snow: Anyway, they've given us this new information. I asked my staff if there was anything wrong with this new study. I asked, "Do you agree with it?" They said, "No, it looks all right." If that study is the right, updated information, it should help to address their needs.

On the other hand, our general policy is that, when there is a drastic change, we try to phase it in because we're only supplying 50 per cent of

the money. They've got to supply the other 50 per cent themselves.

If a municipality has been going along spending \$200,000 a year of its own money on roads, and \$200,000 of ours, and suddenly we boost that to \$600,000, it is not likely to be able to raise the \$600,000 on the other side without a tremendous boost in taxes. We might try to phase that in and add \$100,000 a year to get them up to a level which would be acceptable. I met with the mayor and listened to his story. It all seemed reasonable.

We also had a discussion on Highway 5 through Waterdown. We seemed to be thinking along the same lines there. I told him that you had vehemently insisted that you wanted six lanes.

Mr. Cunningham: He mentioned that to me.

Hon. Mr. Snow: I asked him if he was in support of that six-lane highway through Waterdown.

Mr. Cunningham: Not if he wants to win Waterdown again.

Hon. Mr. Snow: You should have been there.

Mr. Cunningham: Next time, if I am invited, I will attend.

Hon. Mr. Snow: I don't do the inviting. When a delegation comes in to see me, it's up to them to invite whom they want to bring along.

Mr. Cunningham: I think I was bowling that afternoon, anyway.

Mr. Chairman: Mr. Samis?

Mr. Samis: I yield my position, Mr. Chairman, to Mr. Wildman.

Mr. Chairman: I'm glad everybody is being co-operative.

Mr. Wildman: I have a question I would like to raise with regard to correspondence I've received that went between the township of Michipicoten and the minister regarding the needs resource grants system.

They argue that the resource index, as a measure of the financial capabilities of the municipality, is arrived at through calculation of the revenue base related to the equalized assessment. They point out that is inequitable, from their point of view, since it doesn't take the municipality's expenses into account.

This municipality has a particular problem which doesn't relate to your ministry, but relates to the fact that they have very high expenses for policing and they get inadequate grants from the provincial government for that. They argue

that it's not enough to just look at their capability for revenue in figuring out the financing, since they have other expenses that don't relate to roads, special expenses that other municipalities in southern Ontario of a similar size just would not have.

I know that there are adjustments for northern Ontario in the grant formulas, but I also have a copy of the response that was sent from the minister's office, and I appreciate his sending me a copy. The minister argues that the road grants are not intended to take into consideration local economic issues arising from provision of other municipal services.

Hon. Mr. Snow: Exactly.

Mr. Wildman: I understand that and the municipality understands it, but it leaves them with a problem.

I suppose it could be argued that the Ministry of Municipal Affairs and Housing should be providing the needed assistance in the other areas so that they wouldn't be running into this problem, but they still run into the problem. We have a situation where the new reeve, Mr. White, and the councillors are very concerned that they're going to be in a serious financial bind unless there is some adjustment, not just in this area but in other areas of financing for the municipality, which I will raise with other ministers.

1 p.m.

What can be done? Is there not going to be any attempt to respond, other than what you said in your letter, to the resolution that was passed by the council in October?

Hon. Mr. Snow: Have you got that blue book? Carry on, I'm sorry.

Mr. Wildman: We're running out of time. I'm trying to be brief, but I would just like to know if there is going to be any attempt to respond to the resolution that was passed that the needs resources grant system take into account differences in per capita expenditures that devolve to municipalities from provincial mandatory functions.

Hon. Mr. Snow: To try to explain, the system of percentage grants to municipalities was last reviewed in 1963, prior to this recent review. In the years that I have been minister, I started discussions with municipalities coming in to me comparing their grants. One would be at 60 per cent. Its next-door township would be at 70 per cent. They would have all kinds of assessment figures on miles of roads and so on.

I became concerned about our money. We distribute about \$110 million a year to townships. The townships seem to be the biggest problem in these disparities. About three or four years ago, I instructed staff to try to come up with some new formula, rather than this old arbitrary percentage of grants, that would take into consideration today's conditions and changing conditions from year to year. We worked for a couple of years in different models and formulae and came up with what we thought was the right formula.

We then had meetings with a committee of the Association of Municipalities of Ontario, with the Rural Ontario Municipal Association, with the Ontario Good Roads Association board of directors, the Municipal Engineers Association, all the different people who were involved. We showed them what we were proposing. We showed them examples of how it would work.

Naturally, there are winners and losers. There are about 500 townships, 480 or 490 or something, in the province. Applying this to a formula based on the 1981 financial information, which is the latest we have, I have figures to show how every municipality would end up if this new plan had been in existence for 1982, based on the 1981 information.

Last year at the good roads convention, we announced that we were changing over to this new formula funding. I told them there would be winners and losers. There would be happy people and unhappy people. We also gave them a guarantee that if they were a loser, it would be phased in. They would not get less money on the regular basis, not counting supplementaries and so on, because of the new formula. They would be allowed to catch up without an actual dollar loss. We allocated so much funding to pick up those losers.

At the good roads convention we had a seminar room set up and invited all the municipal people in to explain this new system to them. This past summer our district municipal engineers have gone around to every township individually or in groups of two or three and explained the new system. Basically, I think it is excellent.

Your argument is not that our system is wrong, but it is the total system for the township. Other formulas in northern equalization grants and what not are supposed to address those inequities. I am not aware of them myself.

Mr. Wildman: I will not get into that.

Hon. Mr. Snow: I know in Michipicoten the

present subsidy rate has been 65 per cent, for instance. Based on their index and everything, they would drop to 50. So they are one of the losers. The next one on the list, Plummer additional, has been at 70 per cent. They go to 79.2. There is a winner.

Mr. Wildman: The township estimates they will lose—I would like your comment on this—\$250,000 over the next seven years. They figure that it is going to mean higher local taxation in order to make up for that. You indicated that it is going to be phased in so they will not get less money.

Hon. Mr. Snow: This is just an example. If they had a \$100,000 subsidy last year and if the new formula says they only should get \$90,000 this year, they will get \$100,000.

Mr. Wildman: In other words you are going to maintain the dollar value.

Hon. Mr. Snow: Yes, maintain the dollar value. Next year, if the new system says they should only get \$95,000, they will still get \$100,000. The year after, if the new system says they should get \$100,000, then they will still get \$100,000. The next year, if the new system says they should get \$110,000, then they will get \$110,000. So they are red-circled until they catch up and then they will—

Mr. Wildman: Their calculation is based on what they would have got?

Hon. Mr. Snow: Well, it may very well be.

Mr. Wildman: I suppose an option to the municipality is to go to section 86 in terms of their assessment?

Hon. Mr. Snow: It may be. I have no comment on that.

Mr. Wildman: I would certainly hope that the ministry would do what it can to help resolve this situation because they are very concerned. I just have one other short question, since we are running out of time, with regard to something that is a bit of an anachronism, statute labour boards, of which I have four in my riding. A particular problem has arisen with one of them over the last few months. It has been discovered that, contrary to the act, a particular statute labour board has been charging taxes per lot since the 1950s which is against the law. As a result, some people—

Hon. Mr. Snow: Nobody in northern Ontario would do anything against the law, would he?

Mr. Wildman: Well, it was my understanding it is against the law. As a result, a number of people have paid more money than they should

have been paying. The other side of the coin is the statute labour board has done a lot of road improvements with this money.

Hon. Mr. Snow: Matched by our money.

Mr. Wildman: Yes, that is right. Now that is where the interesting point comes. I wrote a letter to you asking if you audit the books of statute labour boards, and your response was that you monitor their expenditures, but due to limited resources, the ministry cannot audit statute labour board books on a regular basis. Obviously, this one has not been audited since the 1950s. It seems to me that since you are matching, they got more money out of you than they should have got because they were collecting more money than they should have been collecting.

Hon. Mr. Snow: My main concern would be to make sure that the money they were getting from us and were collecting for roads was being spent on roads.

Mr. Wildman: Oh, it was spent on roads. They did a great job in terms of the roads. They got more money out of you than they should have.

Hon. Mr. Snow: As long as it was being well spent and they needed the money, I guess we would not be as concerned that they were raising too much from the local taxpayers if the local taxpayers were not complaining.

Mr. Wildman: Well, they are now. They want the money back because a lot of them did not know they were paying more than they should have been paying.

Hon. Mr. Snow: Maybe they could roll up some of the roads and sell them or something.

1:10 p.m.

Mr. Wildman: They could have collected the same amount of money but they would have had to collect it on a different basis. They would have had to collect the money on the basis of each individual taxpayer paying so much rather than being charged by lot, that is, by the amount of land that the individual owned. They could have still collected the same amount of money. It probably would have meant different people would have been paying higher amounts than they were paying. My question is, how on earth can you match funds for expenditures on roads without attempting at least to determine that the funds you are matching are being collected according to the law?

Hon. Mr. Snow: I do not know. Somebody else will have to answer that one.

Mr. Heffernan: In general terms, in the case of labour boards and local road boards, we do not check the assessment nor the tax other than the rates set by the board. In this case, the board levied the taxes, raised them and we matched them. We do not audit these areas unless it is suspected that there is something wrong, a discrepancy in the books with the secretaries that run the organizations or something that appears to one of our technicians doing work or working with these boards that indicates there is a need for an audit. That is basically the reason.

Mr. Wildman: Do you think there is a need for audits now that you have discovered this?

Mr. Heffernan: In general, I still think that the money was levied. It was tax money. It was matched by the province and the work was carried out on the roads. The intent certainly of the legislation was met. When it came to my attention, I also pointed out to our people that there was a way they could have levied the taxes by using the other section of the act if that was what their problem was. I think the problem was many small lots, a subdivision development basically close to the zoo, which did not, under the section that they were using, which is a very minimal assessment by acre, raise very much money. I cannot agree with what the chairman did. He certainly did not follow the intent of the act and so on, but he did manage to raise the money to improve the roads. It is too bad that he had not realized the act allowed him to do it another way properly.

Mr. Wildman: What you are saying to me seems to be that as long as they raise the money and spend it on the roads, whether or not they are doing it legally does not matter.

Mr. Heffernan: From our point of view, they are doing it legally. They are raising tax money which we are matching. The Statute Labour Act is not our act. As a matter of fact, we just happen to be the vehicle by which the work is carried out and the funds are flowed to. The statute labour boards are certainly not one of our favourite things to work with, which is why the local roads board was created.

Mr. Wildman: I will not go on about that. I will leave it at that.

Mr. Chairman: We have one other vote to carry besides. Are there any other questions on municipal roads?

Mr. G. I. Miller: There is just one point I would like to make to the minister, and I have made it before, regarding servicing the major industrial park and the industrial area in the city

of Nanticoke, region of Haldimand-Norfolk. This park has been serviced by regional roads basically, regional road 55 and regional road 3. It is putting a fairly large burden on the local taxpayer.

I wonder if the minister has taken into consideration in long-range planning to provide MTC servicing. I know there are plans laid between Hamilton and Nanticoke, but they are carrying tremendous loads and they are coming on to the Caledonia bypass, particularly between Nanticoke and Port Colborne on the north shore of Lake Erie.

I noticed you making comments this morning about the six-laning of the Queen Elizabeth Way, and I do not disagree that should be upgraded, but if the long-range planning was to take care of a major expressway along the north shore of Lake Erie, it would not divert a lot of traffic that would now have to go over the Burlington skyway as that area develops with industries such as Stelco. One thing it is going to do is grow larger. We have the Townsend townsite which is heavily supported by the province. It will definitely grow as time goes along. There is great potential for jobs, and I wonder if the minister has given that consideration to relieve the local taxpayers and service it by an MTC road?

Hon. Mr. Snow: Now that you are not going to have the waste disposal site down there, you will have a loss of jobs there to some degree.

Mr. G. I. Miller: Mr. Minister, I think you will recognize that agriculture does play an important role. If you want me to give you a brochure that is put together by the Ontario Federation of Agriculture, I will certainly do that. I have given it to the Minister of Municipal Affairs and Housing (Mr. Bennett) and to the Minister of Agriculture and Food (Mr. Timbrell) and I would like to give it to you, to indicate that agriculture does play a major role.

Hon. Mr. Snow: I didn't say it didn't.

Mr. G. I. Miller: When agriculture is in trouble, everyone is in trouble. If you have to come down some time, when the corn is moving to Port Colborne and the steel is moving to Hamilton, I'll tell you that the trucking industry and agriculture both play a tremendous role. They cannot use that damned steel if there is not someplace to plough the ground and put up the storage facilities to store that crop.

Hon. Mr. Snow: I don't know what I said to justify all this.

Mr. G. I. Miller: Don't get me wrong because you recognize that agriculture really does play an important role along with the other industries in this province, and I want to maintain it.

Hon. Mr. Snow: I am very much a farmer at heart.

Mr. Kerrio: John White did not dream about Stelco going there.

Hon. Mr. Snow: We do not have any plans to build a major expressway along the north shore of Lake Erie. As the member knows, we have had a continuous ongoing program there, upgrading Highway 3. We have done a lot of work on it. I certainly have not had any requests for any other great expansions down in that area.

As you mentioned, the Caledonia bypass has gone through a number of stages, but I think we are on the last leg of that now. It should be finished, I guess, next year.

As far as your county or regional road system goes and to service your industrial park, all I have to say is that most municipalities would love to have the privilege of building roads to service an influx of industry. Certainly, we are paying our share of the regional road system, and I would expect that those industries that are being serviced are paying their share of the tax base to the local municipality and the region to pave the local roads. I don't think it is our intention, or that we have anything planned, to build any new highways or to take over any new highways down there and make them provincial highways.

We're paying our share. I do not know what our rate of percentage to Haldimand-Norfolk is. I am not sure.

Vote 2707 agreed to.

On vote 2709, communications program:

Mr. Chairman: Vote 2709 is the final vote. Mr. Barlow, I believe you have a question.

Mr. Barlow: It is a quick question. I know that the telephone system falls under federal regulations, but in the great city and riding of Cambridge we have long-distance phone calls to make within our city, from one area of Cambridge to another.

Some areas of the city can phone Kitchener and Guelph at no long-distance charge. I can phone the member for Brant-Oxford-Norfolk (Mr. Nixon) from where I live in Galt, quite easily, on a local call.

I know it is a real mishmash around the province, but I am concerned about my own riding, of course.

Mr. McLean: You shouldn't be phoning for advice.

Mr. Barlow: I don't phone him for advice. What I was going to ask you was, do you have any involvement with Bell Canada to try to solve these problems?

Hon. Mr. Snow: The area you are talking about is totally a Bell area.

Mr. Barlow: It's totally Bell.

Hon. Mr. Snow: I would have thought it would be. We still have 32 private telephone companies in the province.

Mr. Barlow: The mayor of the city and the federal member have been working on it with Bell, trying to get something clarified on it. I am wondering whether we can get the assistance of the provincial ministry to help us out.

Hon. Mr. Snow: We can certainly look into it. That is normally handled by the municipalities and by the local subscribers applying pressure for an extended calling area.

I know that in the area where I live it used to be that we were on the Milton exchange. If I wanted to call my neighbour a mile up the road around Georgetown, it was a long-distance call, and if I wanted to phone five miles down the road to around Oakville, it was another long-distance call.

Mr. Kerrio: If you wanted to phone your member—

Hon. Mr. Snow: If I wanted to do that, that was also long-distance. In those days, he was one of my co-chairmen or something.

In my case, Bell did a survey and asked the people if they wanted an extended calling area. Our area was extended. We can now call Oakville and Georgetown without long-distance charges. We pay a slightly higher rate, but we are not on to Toronto yet.

It used to be that Oakville was long distance to Toronto or long distance to Burlington. Then the people of Oakville wanted to call Toronto and approached Bell. Bell implemented free calling from Oakville to Toronto, as they did from Brampton to Toronto and so on, but at a substantially higher rate.

For the people who use long distance, it is great, but you get a lot of people who only use the phone to call the party next door, and they do not want to pay a higher rate for the privilege of having a larger calling area. This is certainly something which Bell is usually not reluctant to supply at the higher rate, which is only normal.

We could certainly make representations on behalf of your constituents, if that is of any help.

Mr. Barlow: You can help to put a bit of pressure on.

Hon. Mr. Snow: They do a survey to find out what the people want themselves.

Mr. Barlow: I am not sure what the status of it is right now. I know they have been putting on pressure, trying to work with Bell to get the local calling area extended. Should I talk to the young lady if I want some assistance? Is that right?

Hon. Mr. Snow: Margaret will look into your problem and talk to Mother Bell.

Mr. Chairman: Thank you. We have now run out of time for these estimates. Shall vote 2709 carry?

Vote 2709 agreed to.

Mr. Chairman: That completes the estimates

of the Ministry of Transportation and Communications.

Mr. Kerrio: Same time next year?

Mr. Chairman: We are adjourned until further notification from the House. I would like to thank the committee members for the co-operation they have shown throughout in making these estimates moves so smoothly. Certainly the minister, the deputy minister and their staff have been most helpful.

Hon. Mr. Snow: Thank you very much. I do appreciate, Mr. Chairman, the way the estimates were handled this year. This year we did at least have time to spend on every vote.

Unfortunately, in former years our time was all spent on one or two votes and we didn't have a chance to discuss the total ministry program. I think we have, to a reasonable degree, done so this year. Thank you very much.

The committee adjourned at 1:24 p.m.

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SPEAKERS IN THIS ISSUE

Barlow, W. W.; Vice-Chairman (Cambridge PC)
 Cunningham, E. G. (Wentworth North L)
 Eves, E. L.; Chairman (Parry Sound PC)
 Hennessy, M. (Fort William PC)
 Kerrio, V. G. (Niagara Falls L)
 McLean, A. K. (Simcoe East PC)
 Miller, G. I. (Haldimand-Norfolk L)
 Piché, R. L. (Cochrane North PC)
 Samis, G. R. (Cornwall NDP)
 Snow, Hon. J. W.; Minister of Transportation and Communications (Oakville PC)
 Stokes, J. E. (Lake Nipigon NDP)
 Wildman, B. (Algoma NDP)

From the Ministry of Transportation and Communications:

Gilbert, H. F., Deputy Minister
 Heffernan, J. E., Manager, Municipal Roads Office, Transportation Programs Division,
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